

Annual Report 2025

San Remo District Financial
Services Limited

Community Bank
San Remo, Cowes and
Grantville & Districts

ABN 20 102 770 150



Chair Report

The year has been yet another watershed for San Remo and District Financial Services. In July we opened our new branch in San Remo. This project has taken 3 years to fruition and a great deal of effort from directors. This purchase will ensure the continuing service to our community for many years to come.

I would like to thank Michael Haigh from Bendigo corporate office who did a massive amount of work in the design and fit out of the new offices. His efforts in coordinating design, building and council was a major feat.

The grand opening was a great success with directors, staff, corporate entities and of course our great community in attendance. We are still doing some finishing touches with lighting and verandas. Hopefully this will be completed over the next couple of months. We now have a community room available for local groups to use, and this will be an asset for locals to occupy for their events.

The board directors have worked hard for our bank and shareholders in aiding, guidance and governance to the running of the bank. To them I thank them very much for all their work.

Well done to our managers Michael Scott and Tanya Donnan and their staff congratulations on the year. Everyone has worked tirelessly to make the bank a success.

We have through our grants and sponsorship program given back to the community \$519,963.54 this year, taking our overall tally since 2004 to well over \$6 million. We have recently donated \$250,000 to the Phillip Island Community Hospital for Oncology. The hospital is opening all its department, and this ensures our local area receive the treatments urgently needed.

To our company secretary Vanessa Verzaci whose expertise and knowledge ensures the smooth running of the board, thank you. Her dedication to the board is second to none and Vanessa is a vital cog in our team.

To Janice Rowlingson, our board Treasurer, thank you for your diligent work and meticulous attention to detail.

Finally thank you to our shareholders. Without our shareholders the community bank would never have got off the ground. Your continued support in the bank gives the community access to banking which otherwise might have disappeared.

In closing I am unfortunately having to resign from the board due to moving out of area.

It's been a privilege and an honour to serve on the board for 6 years and for the last 12 months as chair. I wish the SRDFS branches and community a bright prosperous future.

Regards,



James Kelvin Simpson

Chair

25/09/25

Managers Report

For Year ending 30 June 2025

It is with great pleasure that we present our report to the Shareholders of San Remo District Financial Services Ltd for the financial year ending June 2025.

The year again was met with many challenges with the uncertainty of RBA Interest Rates, with consumers witnessing toughening cost of living throughout the Country. Luckily, recent trends from the RBA have seen a reduction in Interest Rates which is great for our Lenders but not so great for our Deposit customers. This also sees a decrease in our Margin Income that we receive so we have a real focus this year on reducing our expenditure to maintain profits which will enable us to continue to contribute to our wonderful Community.

Our Total Footings rose by over \$10.5m for the year which was a fantastic achievement leaving our Total Banking Business of just over \$429 million dollars. We saw great growth again at both Community Bank Cowes & Community Bank Grantville & District Branches, whilst Community Bank San Remo & District was slightly backwards after large Treasury Funds were withdrawn.

Our Community Bank Branches continue to support our local customers as well as numerous Sporting and Community Groups. This generous support would not be available without their continuous support to all our Branches of our Customers and Shareholders.

Our Staff have again done a wonderful job throughout the year, culminating in our Cowes Branch being named Branch of the year in our Region, and Kim Grant from our Community Bank Grantville Branch being recognised from a State Level with her work in the Community Space.

We would like to thank Kelvin Simpson as Chair and the entire Board of Directors for their contribution for all of their work and their promotion of the Business. A massive amount of work from the Board culminated in the new Branch premises at San Remo being opened in July of this year. When completed, this new Community Space are of the building will be a great Asset to San Remo and the surrounding areas to take advantage of. Also, a massive thank you to our Board Secretary Vanessa for her tireless work throughout the year.

Bendigo and Adelaide Bank Limited continues to be a valued partner, and we would like to thank our Regional Manager Caitlin Cooper and her team for their ongoing support. Also, a big congratulations to Caitlin, whose Region was the deserving winner of Region Of The Year in the recent State Awards.

Finally, on behalf of the Staff, we would like to thank you, our shareholders and customers for your support, both current and ongoing, of our Company. Without you, the success we have, the contribution to Communities that we make, simply would not be possible. We continue to ask that you be advocates for all your branches, and continue to encourage your family and friends to bank with their local Community Banks at San Remo, Cowes & Grantville.

Michael Scott
Senior Manager

Tanya Donnan
Manager - Cowes

San Remo District Financial Services Limited

ABN: 20 102 770 150

Financial Statements

For the year ended 30 June 2025

San Remo District Financial Services Limited

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San Remo District Financial Services Limited

Directors' report

30 June 2025

The Directors present their report together with the financial statements on San Remo District Financial Services Limited for the financial year ended 30 June 2025.

Information on Directors

The names of each person who has been a Director during the year and to date of the report are:

- Kelvin Simpson
- Janice Rowlingson
- Joan Matthews
- Gloris Willoughby - resigned June 2025
- Jan Eriksen - resigned December 2024
- Greg Mead
- Peter Paul
- Luke Hill
- Bruce Procter
- John Matthews

Directors have been in office since the start of the financial year to the date of the report unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the company.

Directors' Meetings

Meetings of Directors

During the financial year, 11 meetings of Directors (including committees of Directors) were held.

Attendances by each Director during the year were as follows:

	Number eligible to attend	Number attended
Kelvin Simpson	11	10
Janice Rowlingson	11	9
Joan Matthews	11	7
Gloris Willoughby	11	10
Jan Eriksen	6	6
Greg Mead	11	11
Peter Paul	11	10
Luke Hill	11	8
Bruce Procter	11	11
John Matthews	11	11

San Remo District Financial Services Limited

Directors' report

30 June 2025

Meetings of Directors (continued)

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.

Directors' Interests in the Entity

Director	2024	Changes during the year	2025
Janice Rowlingson	3,300	-	3,300
Bruce Procter	1,000	-	1,000
Peter Paul	1,000	-	1,000
Greg Mead	25,151	-	25,151
Joan Matthews	3,801	-	3,801
John Matthews	3,801	-	3,801
Gloris Willoughby	-	-	-
Jan Eriksen	10,700	-	10,700
Luke Hill	3,300	550	3,850
Kelvin Simpson	1,000	-	1,000

Principal activities

The principal activity of San Remo District Financial Services Limited during the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating results

The profit of the Company after providing for income tax amounted to \$524,576 (2024: \$410,466).

Dividends paid or recommended

Dividends paid or declared during or since the end of the financial year are as follows:

- A fully franked dividend of \$133,987 was paid during the year as recommended in last year's report.
- A fully franked dividend of \$133,987 was declared on 16 November 2024 for payment for the year ended 30 June 2025.

Options

No options over issued shares were granted during or since the end of the financial year and there were no options outstanding as at the date of this report.

San Remo District Financial Services Limited

Directors' report
30 June 2025

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of Directors and Officers

The company has indemnified all directors and the managers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or managers 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. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on behalf of the Company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* 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 for all or any part of those proceedings.

San Remo District Financial Services Limited

Directors' report
30 June 2025

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (RSD Audit) for audit and non-audit services provided during the year are set out in Note 27 to the accounts. The Board of Directors 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 are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services 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 company, 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 on page 6 of this financial report.

Signed in accordance with a resolution of the Board of Directors.



James Kelvin Simpson
Chair

Dated: 30.9.25

**Auditors Independence Declaration under section 307C of the *Corporations Act 2001*
to the Directors of San Remo District Financial Services Limited**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of San Remo District Financial Services Limited. As the lead audit partner for the audit of the financial report for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit



Josh Porker
Principal

41A Breen Street
Bendigo VIC 3550

Dated: 30 September 2025

San Remo District Financial Services Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue			
Revenue from contract with customers	6.a	2,647,040	2,806,410
Finance income	7	12,408	33,552
Total		2,659,448	2,839,962
Expenses			
Employee benefits expense	8.a	(1,165,927)	(1,092,881)
Depreciation and amortisation		(165,639)	(163,912)
Finance costs	7.b	(54,820)	(6,376)
Administration expenses		(175,572)	(147,482)
Occupancy expenses		(68,719)	(81,039)
IT expenses		(76,852)	(79,955)
ATM expenses		(24,114)	(37,719)
Marketing expenses		(51,277)	(40,506)
Impairment losses on receivables		(2,176)	(2,386)
Total Expense		(1,785,096)	(1,652,256)
Operating profit before charitable donations and sponsorship		874,352	1,187,706
Charitable donations and sponsorships	10	(174,397)	(639,125)
Profit before income tax		699,955	548,581
Income tax expense		(175,379)	(138,115)
Profit for the year after income tax		524,576	410,466
Total comprehensive income for the year		524,576	410,466

The accompanying notes form part of these financial statements.

San Remo District Financial Services Limited

Statement of Financial Position

As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	12	262,495	34,609
Trade and other receivables	13	198,649	400,898
Other financial assets	14	10,377	304,412
Current tax receivable	19	35,400	-
Other assets	15	20,371	26,769
Total Current assets		527,292	766,688
Non-current assets			
Property, plant and equipment	16	2,718,211	2,737,452
Right-of-use assets	17	17,156	83,928
Intangible assets	18	11,378	56,909
Deferred tax assets	19	36,677	139,847
Total Non-current assets		2,783,422	3,018,136
Total Assets		3,310,714	3,784,824
Liabilities			
Current liabilities			
Trade and other payables	20	293,119	836,186
Borrowings	21	47,980	96,594
Employee benefits	8.b	88,688	76,459
Current tax liability	19	-	196,046
Lease liabilities	22	19,841	74,616
Total Current liabilities		449,628	1,279,901
Non-current liabilities			
Employee benefits	8.b	5,225	20,410
Lease liabilities	22	-	19,241
Total Non-current liabilities		5,225	39,651
Total		454,853	1,319,552
Net Assets		2,855,861	2,465,272
Equity			
Share capital	23	1,423,739	1,423,739
Retained earnings	24	1,432,122	1,041,533
Total Equity		2,855,861	2,465,272

The accompanying notes form part of these financial statements.

San Remo District Financial Services Limited

Statement of Changes in Equity For the year ended 30 June 2025

2024	Share Capital	Retained earnings	Total equity
	\$	\$	\$
Opening balance	1,423,739	750,166	2,173,905
Profit for the year	-	410,466	410,466
Dividends provided for or paid	-	(119,099)	(119,099)
Closing balance	1,423,739	1,041,533	2,465,272

2025	Share Capital	Retained earnings	Total
	\$	\$	\$
Opening balance	1,423,739	1,041,533	2,465,272
Profit for the year	-	524,576	524,576
Dividends provided for or paid	-	(133,987)	(133,987)
Closing balance	1,423,739	1,432,122	2,855,861

The accompanying notes form part of these financial statements.

San Remo District Financial Services Limited

Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities:			
Receipts from customers		2,839,592	2,685,024
Payments to suppliers and employees		(2,225,536)	(1,542,298)
Interest received		8,397	33,552
Interest paid		(54,820)	(6,376)
Income taxes paid		(303,655)	(228,426)
Net cash flows from operating activities	25	263,978	941,476
Cash flows from investing activities:			
Payments for intangible asset		(46,616)	(45,527)
Proceeds from disposal of investments		294,035	834,842
Payments for property, plant and equipment		(31,481)	(1,902,451)
Proceeds from sale of property, plant and equipment		-	16,366
Net cash provided by/(used in) investing activities		215,938	(1,096,770)
Cash flows from financing activities:			
Repayment of lease liabilities		(74,016)	(70,208)
Dividends Paid		(129,396)	(143,298)
Net cash used in financing activities		(203,412)	(213,506)
Net increase/(decrease) in cash and cash equivalents		276,504	(368,800)
Cash and cash equivalents at beginning of year		(61,985)	306,815
Cash and cash equivalents at end of financial year		214,519	(61,985)

The accompanying notes form part of these financial statements.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

1. Introduction

These financial statements and notes represent those of San Remo District Financial Services Limited (the Company) as an individual entity. San Remo District Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 30 September 2025.

Further information on the nature of the operations and principal activity of the Company is provided in the directors' report. Information on the company's related party relationships is provided in Note 26.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

a. Economic Dependency

The Company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of San Remo Community Bank Branch:

Community Bank San Remo & District

Community Bank Cowes

Community Bank Grantville & District

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.

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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

a. Economic Dependency (continued)

The credit risk (i.e. the risk that a customer will not make repayments) is for the relevant Bendigo Bank entity 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
- 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.

b. Revenue from Contracts with Customers

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

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

Revenue is recognised on an accruals basis, at the fair value of consideration specified in the franchise agreement. Under AASB 15 Revenue from Contracts with Customers (AASB 15), revenue recognition for the company's revenue stream is as follows:

San Remo District Financial Services Limited

Notes to the Financial Statements
For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

b. Revenue from Contracts with Customers (continued)

Revenue	Includes	Performance Obligation	Timing of Recognition
Franchise agreement profit share	Margin, commission and fee income.	When the Company satisfies its obligation to arrange the services to be provided to the customer by the supplier (Bendigo & Adelaide Bank).	On completion of the provision of the relevant service. Revenue is accrued monthly and paid within 10 business days of month end.

All revenue is stated net of the amount of Goods and Services Tax (GST).

i. Revenue calculation

The franchise agreement provides that three forms of revenue may be earned by the Company – 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. It may also be affected by other factors, such as economic and local conditions, for example, interest rates

ii. Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans, less interest paid to customers on deposits

plus

Deposit returns (i.e. interest return applied by BABL on deposits)

minus

Any costs of funds (i.e. interest applied by BABL to fund a loan)

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

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

b. Revenue from Contracts with Customers (continued)

iii. Commission

Commission revenue is in the form of commission generated for products and services sold. This commission is recognised at a point in time which reflects when the Company has fulfilled its performance obligation.

The Company receives trailing commission for products and services sold. Ongoing trailing commission payments are recognised on receipt as there is insufficient detail readily available to estimate the most likely amount of income without a high probability of significant reversal in a subsequent reporting period. The receipt of ongoing trailing commission income is outside the control of the company, and is a significant judgement area

iv. Fee income

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

v. 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.

vi. Ability to Change Financial Return

Under the franchise agreement, Bendigo and Adelaide Bank may change the form and amount of financial return that the Company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide 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. The effect of the change on the revenue earned by the company is entirely dependent on the change.

Bendigo and Adelaide 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 and Adelaide Bank's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank may make

vii. Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

c. Employee benefits

i. Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for salary and wages (including non-monetary benefits), annual leave, and sick leave which are expected to be wholly settled within 12 months of the reporting date. They are measured at amounts expected to be paid when the liabilities are settled, plus related on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

An annual leave liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

ii. Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods.

That benefit is discounted to determine its present value. Consideration is given to expected future wage and salary levels plus related on-costs, experience of employee departures, and years of service achieved. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

Remeasurements are recognised in profit or loss in the period in which they arise.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

d. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, carried-forward tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be used.

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.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the entity intends to settle its tax assets and liabilities on a net basis.

e. Cash & Cash Equivalents

For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise: cash on hand, deposits held with banks, and short-term, highly liquid investments (mainly money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Property, Plant & Equipment

i. Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowings costs, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

San Remo District Financial Services Limited

Notes to the Financial Statements
For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

f. Property, Plant & Equipment (continued)

iii. Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using diminishing value method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Asset Class	Method	Useful Life
Buildings	Straight line	40 years
Leasehold improvements	Straight line	8 - 10 years
Plant & equipment	Straight line	3 - 10 years
Motor vehicles	Straight line	6 years

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

g. Intangible Assets

Intangible assets of the Company include the franchise fees paid to Bendigo Bank conveying the right to operate the Community Bank franchise.

i. Recognition & Measurement

Intangible assets acquired separately are measured on initial recognition at cost.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

iii. Amortisation

Intangible assets are amortised over their useful life and assessed for impairment whenever impairment indicators are present.

Asset Class	Method	Useful Life
Franchise fee	Straight line	5 years

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

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial instruments include trade debtors and creditors, cash and cash equivalents, leases.

Sub-note (i) and (ii) refer to the following acronyms:

Acronym	Meaning
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
SPPI	Solely payments of principal and interest
ECL	Expected credit loss
CGU	Cash-generating unit

i. Recognition & Initial Measurement

Trade receivables are initially recognised when they originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

San Remo District Financial Services Limited

Notes to the Financial Statements
For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

h. Financial instruments (continued)

ii. Classification & Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI - debt investment; FVTOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed.

Financial Assets - Subsequent Measurement, Gains & Losses

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, Gains & Losses

Borrowings and other financial liabilities (including trade payables) are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

h. Financial instruments (continued)

iii. Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the Company enters into transactions where it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

i. Impairment

Non-derivative Financial Instruments

The Company recognises a loss allowance for estimated credit losses (ECL)'s on its trade receivables.

ECL's are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received.

In measuring the ECL, a provision matrix for trade receivables is used, taking into consideration various data to get to an ECL, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

Recognition of ECL in Financial Statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The Company's trade receivables are limited to the monthly profit share distribution from Bendigo and Adelaide Bank, which is received 14 days post month end. Due to the reliance on Bendigo and Adelaide Bank 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 also performed a historical assessment of receivables from Bendigo and Adelaide Bank and found no instances of default.

Non-financial Assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, contracts assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Company has assessed for impairment indicators and noted no material impacts on the carrying amount of non-financial assets.

j. 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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

k. Leases

i. As Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the company has elected not to separate lease and non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the costs of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from funding sources and where necessary makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option the Company is reasonably certain to exercise, lease payments in an option renewal period if the company is reasonably certain to exercise that option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3. Summary of Significant Accounting Policies (continued)

k. Leases (continued)

i. As Lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

ii. Short-term Leases & Leases of Low-value Assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases and low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A short-term lease is a lease that, at commencement date, has a lease term of 12 months or less.

iii. As Lessor

The Company has not been a party in an arrangement where it is a lessor.

l. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2025, refer to the Change in accounting policy note, for details of the changes due to standards adopted.

m. New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards.

4. Significant Accounting Judgements, Estimates & Assumptions

Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

4. Significant Accounting Judgements, Estimates & Assumptions (continued)

The significant estimates and judgements made have been described below.

a. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Balance	Judgement
Revenue	Whether revenue is recognised over time or at a point in time
Leases	
(a) Control	Whether a contract is or contains a lease at inception by assessing whether the company has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset.
(b) Lease term	Whether the company is reasonably certain to exercise extension options, termination periods, and purchase options.
(c) Discount rates	Judgement is required to determine the discount rate, where the discount rate is the company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to factors specific to the company and underlying asset including the amount, the lease term, economic environment, any other relevant factors.

b. Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Balance	Judgement
Recognition of deferred tax assets	Availability of future taxable profit against which deductible temporary differences and carried-forward tax losses can be utilised.
Estimation of asset useful lives	Key assumptions on historical experience and the condition of the asset.
Long service leave provision	Key assumptions on attrition rate of staff and expected pay increases though promotion and inflation.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

4. Significant Accounting Judgements, Estimates & Assumptions (continued)

c. Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

5. Financial risk management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Credit risk
- Liquidity risk
- Market risk - interest rate risk and price risk.

a. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The company's franchise agreement limits the company's credit exposure to one financial institution, being Bendigo and Adelaide Bank.

b. 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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

5. Financial risk management (continued)

c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

6. Revenue and other income

a. Disaggregation of revenue from contracts with customers

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

	2025	2024
	\$	\$
Revenue from contracts with customers	(2,647,040)	(2,806,410)
Disaggregation of Revenue from Contracts with Customers		
Gross Margin	(2,324,238)	(2,475,418)
Fee Income	(138,724)	(146,953)
Commission Income	(184,078)	(184,039)
Total	(2,647,040)	(2,806,410)

All revenue from contracts customers shown above was recognised at a point in time. There was no revenue from contracts with customers recognised over time during the financial year.

7. Finance income and expenses

a. Finance income

The Company holds financial instruments measured at amortised cost. Interest income is recognised at the effective interest rate.

	2025	2024
	\$	\$
Interest income	12,408	33,552

b. Finance expenses

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

	2025	2024
	\$	\$
Interest expense	54,820	6,376

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

8. Employee benefits

a. Employee benefits expenses

Profit before income tax from continuing operations includes the following specific expenses:

	2025	2024
	\$	\$
Employee Benefits Expense		
Salary and wage expenses	997,661	936,644
Superannuation contributions	116,855	102,988
Other employee benefit expenses	51,411	53,249
Total	1,165,927	1,092,881

b. Provisions for employee benefits

Current	2025	2024
	\$	\$
Long service leave	47,263	29,702
Provision Annual Leave	41,425	46,757
	88,688	76,459

Non-current	2025	2024
	\$	\$
Long service leave	5,225	20,410

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Employee Attrition Rates

The company uses historical employee attrition rates in determining the probability of an employee, at a given date, achieving continuous employment eligible for entitlement in accordance with long service leave legislation.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

9. Depreciation & Amortisation Expense

	2025	2024
	\$	\$
Depreciation of Non-Current Assets		
Building Depreciation	9,682	9,808
Leasehold Improvement Depreciation	23,403	23,051
Depreciation Expense	11,216	11,793
Motor Vehicle Depreciation	6,421	6,258
Total	50,722	50,910
Amortisation of Intangible Assets		
Franchise fee	45,531	45,529
	45,531	45,529
Depreciation of Right-of-Use Assets		
Depreciation of right-of-use assets	69,386	67,473
Total	165,639	163,912

The non-current tangible and intangible assets listed above are depreciated and amortised in accordance with the company's accounting policy (see Note 3(i) and 3(j) for details).

10. Community Investments & Sponsorship

a. Community Investments & Sponsorship

The overarching philosophy of the Community Bank model, is to support the local community in which the Company operates. This is achieved by circulating the flow of financial capital into the local economy through community contributions (such as donations and grants).

	2025	2024
	\$	\$
Community Investments & Sponsorship		
Direct Sponsorship and grant payments	174,397	184,580
Contribution to the Community Enterprise Foundation	-	454,545
Total	174,397	639,125

The funds contributed are held by the Community Enterprise Foundation (CEF) and are available for distribution as grants to eligible applicants for a specific purpose in consultation with the Directors.

When the Company pays a contribution in to the CEF, the Company loses control over the funds at that point. While the Directors are involved in the payment of grants, the funds are not refundable to the Company.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

10. Community Investments & Sponsorship (continued)

b. Community Enterprise Foundation (CEF) Contributions

During the financial year the Company contributed funds to the CEF, the philanthropic arm of the Bendigo Bank. These contributions paid in form part of community investments and sponsorship expenditure included in profit or loss.

	2025	2024
	\$	\$
Disaggregation of CEF Funds		
Opening balance	1,082,162	1,271,897
Contributions paid	600,000	-
Grants paid out	(42,646)	(265,420)
interest received	75,560	49,984
Management fees incurred	(27,270)	-
GST	(51,806)	25,701
Balance available for distribution	1,636,000	1,082,162

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

11. Income tax expense

a. Accounting policy

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Income tax expense comprises current and deferred tax. Attributable current and deferred tax expense is recognised in the other comprehensive income or directly in equity as appropriate.

b. The major components of tax expense comprise:

Description	2025 \$	2024 \$
Components of Tax Expense		
Current tax	35,400	-
Current tax expense	275,428	258,961
Deferred tax expense	3,736	4,048
Future income tax benefit	(115,459)	(116,798)
Under / (over) provision from prior years	11,674	(8,096)
Total	210,779	138,115

c. Reconciliation of income tax to accounting profit:

	2025 \$	2024 \$
Profit for the year		
Profit for the year	524,576	410,466
Add back income tax expense		
Current tax expense	175,379	138,115
Total Profit for the year	699,955	548,581
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2024: 25%)	174,989	137,145
Add / (Less) tax effect of:		
Non-deductible expenses	390	970
Income tax attributable to the entity	175,379	138,115
Income tax expense	175,379	138,115
Weighted average effective tax rate (%)	25	25

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

12. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less. Any bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

	2025	2024
	\$	\$
Cash & Cash Equivalents	262,495	34,609
Total	262,495	34,609

13. Trade and other receivables

	2025	2024
	\$	\$
Accrued Income	69	4,127
Trade Debtors	198,430	234,090
Sundry Debtors	150	-
GST Receivable	-	162,681
Total	198,649	400,898

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited within a reasonable timeframe each month. There are no items that require the application of the lifetime expected credit loss model.

14. Financial Assets

	2025	2024
	\$	\$
Term Deposits	10,377	304,412
Total	10,377	304,412

Term deposits classified as financial assets include only those with a maturity period greater than three months. Where maturity periods are less than three months, these investments are recorded as cash and cash equivalents.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

15. Other assets

	2025	2024
	\$	\$
Prepaid Insurance	12,168	21,604
Prepaid Land Tax	4,613	-
Security Deposit	3,590	5,165
Total	20,371	26,769

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

16. Property, plant and equipment

a. Property, plant and equipment details

	2025			2024		
	\$			\$		
	At Cost / Valuation	Accumulated Depreciation	Written Down Value	At Cost / Valuation	Accumulated Depreciation	Formula
	\$	\$	\$	\$	\$	\$
Buildings	2,651,079	(130,570)	2,520,509	2,651,079	(120,888)	2,530,191
Leasehold improvements	454,285	(355,149)	99,136	451,710	(331,748)	119,962
Plant & Equipment	328,926	(264,955)	63,971	300,024	(253,740)	46,284
Motor Vehicles	42,805	(8,210)	34,595	42,805	(1,790)	41,015
Total	3,477,095	(758,884)	2,718,211	3,445,618	(708,166)	2,737,452

b. Movement in Carrying Amounts

2025	Buildings	Leasehold improvements	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$
Opening balance	2,530,191	119,962	46,284	41,015	2,737,452
Additions	-	2,577	28,904	-	31,481
Depreciation	(9,682)	(23,403)	(11,216)	(6,421)	(50,722)
Closing balance	2,520,509	99,136	63,972	34,594	2,718,211

2024	Buildings	Leasehold improvements	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$
Opening balance	705,433	128,938	47,072	27,231	908,674
Additions	1,834,566	14,075	11,005	42,805	1,902,451
Disposals	-	-	-	(22,763)	(22,763)
Depreciation	(9,808)	(23,051)	(11,793)	(6,258)	(50,910)
Closing balance	2,530,191	119,962	46,284	41,015	2,737,452

c. Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2025 (2024: None).

d. Changes in Estimates

During the financial year, the Company assessed estimates used for property, plant and equipment including useful lives, residual values, and depreciation methods.

There were no changes in estimates for the current reporting period.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

17. Right-of-use Assets

Right-of-use assets are measured at amounts equal to the present value of enforceable future payments on the adoption date, adjusted for lease incentives, make-good provisions, and initial direct costs.

The company derecognises right-of-use assets at the termination of the lease period or when no future economic benefits are expected to be derived from the use of the underlying asset.

The company's lease portfolio includes buildings.

Options to Extend or Terminate

The option to extend or terminate are contained in the property lease of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 Amounts Recognised in the Statement of Financial Position

	Leased Buildings 2025 \$	Total ROU Asset 2025 \$	Leased Buildings 2024 \$	Total ROU Asset 2024 \$
Leased asset	433,666	433,666	420,559	420,559
Accumulated depreciation	(416,510)	(416,510)	(336,631)	(336,631)
Total	17,156	17,156	83,928	83,928

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

17. Right-of-use Assets (continued)

Movement in carrying amounts:

	Leased Buildings \$	Total ROU Asset \$
Net Carrying Amount as at 1 July 2024	83,928	83,928
Revaluation of Lease	2,614	2,614
Depreciation of right-of-use assets	(69,386)	(69,386)
Total	17,156	17,156

AASB 16 Amounts Recognised in the Statement of Profit and Loss and Other Comprehensive Income

	2025 \$	2024 \$
Depreciation expense related to right-of-use assets	69,386	67,473
Interest expense on lease liabilities	2,498	6,376

18. Intangible assets

a. Intangible asset details

	2025 \$			2024 \$		
	At Cost / Valuation \$	Accumulated Amortisation \$	Written Down Value \$	At Cost / Valuation \$	Accumulated Amortisation \$	Written Down Value \$
Franchise Fee	225,822	(214,444)	11,378	227,637	(170,728)	56,909
TOTAL	225,822	(214,444)	11,378	227,637	(170,728)	56,909

Movement in Carrying Amounts

	Franchise fees - Accumulated Amortisation \$	Total \$
2025		
Opening balance	56,909	56,909
Amortisation	(45,531)	(45,531)
Closing balance	11,378	11,378

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

18. Intangible assets (continued)

a. Intangible asset details (continued)

2024	Franchise fees - Accumulated Amortisation	Total
	\$	\$
Opening balance	102,438	102,438
Amortisation	(45,529)	(45,529)
Closing balance	56,909	56,909

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

19. Tax assets and liabilities

a. Accounting policy

Current tax is the amount of income taxes payable in respect of the taxable profit for the year and is measured at the amount expected to be paid to the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets are measured at the amounts expected to be recovered from the relevant taxation authority.

b. Current Tax

	2024
	\$
Income tax payable / (receivable)	196,046

Current tax assets	2025	2024
	\$	\$
Current tax	35,400	-

c. Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2025:

	2024	Recognised in P&L	2025
	\$	\$	\$
Deferred Tax Assets			
- Expense accruals	115,955	(80,509)	35,446
- Right of use assets	33,015	(29,738)	3,277
- Property, plant & equipment	18,419	(10,549)	7,870
- Employee provisions	24,217	(739)	23,478
Total deferred tax assets	191,606	(121,535)	70,071
Deferred Tax Liabilities			
- Right of use assets	(25,902)	5,932	(19,970)
- Accrued income	(13,539)	12,796	(743)
- Property, plant & equipment	(12,318)	(363)	(12,681)
Total deferred tax liabilities	(51,759)	18,365	(33,394)
Net deferred tax assets	139,847	(103,170)	36,677

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

19. Tax assets and liabilities (continued)

c. Deferred Tax (continued)

Movement in the Company's deferred tax balances for the year ended 30 June 2024:

	2023	Recognised in P&L	2024
	\$	\$	\$
Deferred Tax Assets			
- Expense accruals	2,652	113,303	115,955
- Right of use assets	9,826	23,189	33,015
- Property, plant & equipment	-	18,419	18,419
- Employee provisions	20,838	3,379	24,217
Total deferred tax assets	33,316	158,290	191,606
Deferred Tax Liabilities			
- Right of use assets	(2,030)	(23,872)	(25,902)
- Accrued income	(12,237)	(1,302)	(13,539)
- Property, plant & equipment	-	(12,318)	(12,318)
Total deferred tax liabilities	(14,267)	(37,492)	(51,759)
Net deferred tax assets	19,049	120,798	139,847

20. Trade and other payables

	2025	2024
	\$	\$
Current		
Trade creditors	-	584,589
Other creditors and accruals	102,053	104,854
Net GST Payable	39,732	-
Dividends Payable	151,334	146,743
Total	293,119	836,186

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

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

21. Borrowings

	2025	2024
	\$	\$
Unsecured Liabilities		
Bank overdraft	47,980	96,594
Total	47,980	96,594

Bank Overdraft

The company has an overdraft facility of \$1,000,000 which is subject to normal commercial terms and conditions. The unused amount of this facility at 30 June 2025 was \$952,020 (2024: \$ 903,406).

22. Lease Liabilities

a. Lease Portfolio

Lease	Details
San Remo Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in October 2015. The lease has one further five year extension option available.
Grantville Branch	The lease agreement is a non-cancellable lease with an initial term of five years which commenced in October 2015. The lease has one further five year extension option available.

The company assesses at the lease commencement date whether it is reasonably certain to exercise extension options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

22. Lease Liabilities (continued)

b. Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2025	2024
	\$	\$
Current	19,841	74,616
Non-current	-	19,241

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2025 were as follows:

	<1 Year	1 - 2 Years	3 - 5 Years	> 5 Years	Total
					\$
30 June 2025					
Lease Payments	19,992	-	-	-	19,992
Finance Charges	(151)	-	-	-	(151)
Net Present Value	19,841	-	-	-	19,841
30 June 2024					
Lease Payments	77,320	25,560	-	-	102,880
Finance Charges	(5,996)	(3,027)	-	-	(9,023)
Net Present Value	71,324	22,533	-	-	93,857

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

23. Issued Capital

a. Accounting policy

i. Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

b. Issued Capital

Description	Number 2025	2025 \$	Number 2024	2024 \$
Ordinary Shares - Fully Paid San Remo Branch	650,011	650,011	650,011	650,011
Ordinary Shares - Fully Paid Cowes Branch	436,498	436,498	436,498	436,498
Ordinary Shares - Fully Paid Grantville Branch	337,230	337,230	337,230	337,230
Total	1,423,739	1,423,739	1,423,739	1,423,739

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

c. Share capital movements

	2025 \$	2024 \$
Opening balance	1,488,739	1,488,739
Closing balance	1,488,739	1,488,739

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the company's residual assets.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

24. Retained Earnings

	2025	2024
	\$	\$
Balance at the beginning of the period	1,041,533	750,166
Profit for the year	524,576	410,466
Dividends paid	(133,987)	(119,099)
Total	1,432,122	1,041,533

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

25. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2025	2024
	\$	\$
Profit for the year	524,576	410,466
Add / (less) non-cash items:		
Depreciation	130,601	118,383
Amortisation	44,079	45,529
Bad debts	2,176	2,386
Net loss on disposal of property, plant & equipment	-	6,399
Fair value increases	(13,107)	-
Loss on disposal of intangible assets	1,456	-
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	200,073	(121,386)
Decrease in prepayments and other assets	6,398	(14,503)
(Increase) / decrease in deferred tax asset	103,170	(120,796)
Decrease in trade and other payables	(501,042)	570,997
(Increase) / decrease in current tax liabilities	(231,446)	30,485
(Increase) / decrease in provisions	(2,956)	13,516
Cash flows from operations	263,978	941,476

26. Related Parties

a. Key Management Personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that Company. The only key management personnel identified for the Company are the Board of Directors, the members of which are listed in the Directors' report.

b. Key Management Personnel Compensation

No Director of the Company receives remuneration for services as a company director or committee member. These positions are held on a voluntary basis.

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

c. Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

26. Related Parties (continued)

d. Transactions With Key Management Personnel & Related Parties

During the year, the Company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of Related Party	Description of Goods or Services Provided	Value \$
Park Accommodation (Joan Matthews)	Rent Payments	47,572

e. Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each key management personnel during the financial year has been disclosed in the Director's Report.

f. Other Key management Transactions

There have been no other transactions key management or related parties other than those described above.

27. Auditor's Remuneration

The appointed auditor of San Remo District Financial Services Limited for the year ended 30 June 2025 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2025 \$	2024 \$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	7,000	6,600
Total	7,000	6,600
Non-Audit Services		
Preparation of the financial statements	2,650	2,500
Total	2,650	2,500
Total auditor's remuneration	9,650	9,100

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2025

28. Dividends

a. Dividends declared or paid

	Number	2025 \$	Number	2024 \$
The following dividends were declared and paid:				
Fully franked ordinary dividends	1,423,739	133,987	1,423,739	119,099

Franked dividends declared or paid during the year were franked at the tax rate of 25%.

29. Earnings Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2025	2024
Profit attributable to ordinary shareholders (\$)	524,576	410,466
Weighted average number of ordinary shares (Number)	1,488,739	1,488,739
Basic and diluted earnings per share (cents)	35	28

30. Events occurring after the reporting date

There have been no significant events after the end of the financial year that would have a material impact on the financial statements or the Company's state of affairs.

31. Commitments & Contingencies

Details about any capital commitments are detailed in Note 16(c).

The Company has no other commitments requiring disclosure.

In the opinion of the directors, the Company did not have any contingencies requiring disclosure at 2025 (2024: None).

32. Statutory information

The registered office and principal place of business of the Company is:

San Remo District Financial Services Limited

103A Marine Parade, San Remo VIC 3925

San Remo District Financial Services Limited

Directors' Declaration
For the year ended 30 June 2025

In the Directors opinion:

In accordance with a resolution of the directors of Elwood Community Financial Services Ltd , we state that:

In the opinion of the directors:

1. The financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
 - complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
3. The information disclosed in the attached consolidated entity disclosure statement, on page 49 is true and correct.

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



James Kelvin Simpson
Chair

Dated: 30.9.25

San Remo Community Financial Services Limited

Consolidated entity disclosure statement

As at 30 June 2025

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*.

San Remo District Financial Services Limited has no controlled entities and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAN REMO DISTRICT FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of San Remo District Financial Services Limited (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of San Remo District Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance and its cash flows for the year then ended; and
- (ii) 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 Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics* for Professional Accountants (including Independence Standards) 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.

Director's Responsibility for the Financial Report

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

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

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

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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.

Other Information

Those charged with governance 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 2025, 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.

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

We 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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.

Independence

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.

RSD Audit

Chartered Accountants



Josh Porker

Principal

41A Breen Street
Bendigo VIC 3550

Dated: 30 September 2025

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