

Annual Report 2026

San Remo District Financial
Services Limited

San Remo District

ABN 20 102 770 150



San Remo District Financial Services Limited

ABN: 20 102 770 150

Financial Statements

For the year ended 30 June 2026

Chair's Report

For the Financial Year Ending 30 June 2026

San Remo District Financial Services Limited.

Operating Community Bank branches at San Remo, Cowes, and Grantville

The year has been another significant one for San Remo District Financial Services Limited. Following the opening of our new Community Bank San Remo branch last year, we have now had a full year to enjoy our new building. It has been a wonderful addition to our business and community, providing a bright, welcoming environment for our customers and staff, as well as a community room for local volunteer organisations to use. We have also continued to pay down the debt associated with the building, strengthening our financial position and ensuring we remain well placed for the future.

Our commitment to giving back to our community remains as strong as ever. At our 2025 Grants Night, we distributed \$220,000 to local community organisations. We continued our Year 9 Student Scholarship Program at Bass Coast College and Newhaven College, providing \$22,000 in scholarships to new and continuing students. We also sponsored local non-for-profit groups, to the tune of \$144,000 for the last financial year alone. This equated to a fantastic total of \$386, 000 to our communities!

Our support throughout the year extended across sport, education, the arts, music and many community activities. We supported the Bass Valley Community Bus, Riding for the Disabled Woolamai, the San Remo Channel Challenge & Cowes Classic, Corinella Men's Shed, the arts with ASPIR, PICES, the Corinella Art Show and Phillip Island Jazz, as well as all three local football and netball clubs, plus the Bass Coast Breakers, Phillip Island Basketball, Phillip Island Cricket Club and Kilcunda-Bass Cricket Club – just to name a few.

We were also proud to sponsor and attend many local events, including the Tidal Festival in San Remo, Bass Coast Historical Automobile show, South Gippsland Orchid Society Show and the annual Christmas celebrations in Cowes, San Remo, Bass and Corinella. We also attended Remembrance Day services and ANZAC Day services in Bass, Cowes and San Remo. Our sponsorship and presence at these events demonstrates our dedication to our communities.

This year, the Board has continued to work hard on behalf of our Community Bank *San Remo, Cowes, and Grantville branches* and shareholders, providing guidance, governance and support to the business. I wish to thank all of our volunteer directors, as well as our treasurer Janice and our company secretary Vanessa, for their continued commitment and hard work.

Well done also to our managers Michael and Tanya, and our wonderful staff. Everyone has worked tirelessly throughout the year to provide excellent service to our customers and make the business a success. We were delighted to welcome Rohan, Renee, Tara and Matt to the team this year and are very pleased to have them as part of our Community Bank family.

Finally, I would like to thank our shareholders and customers. Without your continued support, the Community Bank model would not be possible. Your decision to bank with *Community Bank San Remo, Cowes, and Grantville* allows us to continue investing in the amazing communities in which we live and work.

It is a privilege to be part of an organisation that continues to make such a positive contribution to our local communities.

John Matthews

Chair

San Remo District Financial Services Ltd.

Managers' Report

For the Financial Year Ending 30 June 2026

San Remo District Financial Services Limited.

Operating Community Bank branches at San Remo, Cowes, and Grantville

It is our privilege to present the Managers' Report to the shareholders of San Remo District Financial Services Limited for the financial year ending 30 June 2026.

Navigating a Challenging Economic Climate

The past financial year has presented an evolving economic landscape, marked by persistent cost-of-living pressures and ongoing interest rate uncertainty. Despite these macroeconomic headwinds, our business demonstrated remarkable resilience.

While headline earnings fell just short of our ambitious budget targets, our underlying revenue performance remained robust. Pleasingly, our total footings expanded by nearly \$10 million—a testament to our team's proactive customer engagement and our community's trust in our branches during a period of cautious consumer sentiment. Lending growth experienced moderated activity across the sector, influenced heavily by shifting investor strategies and recent regulatory and legislative changes. Nevertheless, our core balance sheet remains sound and well-positioned for sustainable growth.

Meaningful Community Investment

The defining strength of our Community Bank model is the direct return of profits back into the communities we serve. Our Community Bank branches in San Remo, Cowes, and Grantville continue to stand alongside local families, businesses, and community groups.

A key highlight of the year was our annual Community Grants Night, where we had the privilege of distributing more than \$220,000 to local sporting clubs, charities, and community initiatives. This milestone brings our cumulative community investment to over **\$6 million**—an extraordinary achievement made possible through the shared commitment of our Board, staff, and shareholders.

Facilities and Operational Milestones

Investing in our community infrastructure remains a key priority. Following dedicated leadership and effort from our Board of Directors, we are proud to announce the completion of the new Community Room at our San Remo branch. This purpose-built facility provides an accessible, contemporary meeting and collaboration space designed specifically for the benefit of local community groups.

Acknowledging Our People and Partners

Our achievements this year are directly attributable to our dedicated branch staff, whose customer-first focus continues to set us apart. We also extend our sincere appreciation to our Board of Directors and our Company Secretary, Vanessa, for their steadfast guidance, governance, and support throughout the year.

Our collaborative partnership with Bendigo Bank Limited remains integral to our operational success. We take this opportunity to thank our outgoing Regional Manager, Caitlin Cooper, for her valued counsel and support, and warmly welcome our incoming Regional Manager, Helen De Ross, as we embark on our next chapter together.

Looking Ahead: The Power of Your Advocacy

Finally, on behalf of the entire team, we express our deep gratitude to our shareholders and customers. Your continued loyalty forms the foundation of everything we achieve. Without your banking business, our community contributions simply would not be possible.

We encourage each of you to remain active advocates for your Community Bank. By encouraging your family, friends, and colleagues to choose Community Bank San Remo, Cowes, and Grantville for their banking needs, you directly amplify our capacity to reinvest in the future and prosperity of our district.

Michael Scott

Senior Manager

Tanya Donnan

Manager – Community Bank Cowes

San Remo District Financial Services Limited

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San Remo District Financial Services Limited

Directors' report

30 June 2026

The Directors present their report together with the financial statements on San Remo District Financial Services Limited for the financial year ended 30 June 2026.

Information on Directors

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

- John Matthews
- Janice Rowlingson
- Joan Matthews
- Luke Hill
- Peter Paul
- Bruce Procter
- Kelvin Simpson - resigned October 2025
- Greg Mead - resigned October 2025
- Kathy Jones - joined December 2025
- Mary Kane - joined December 2025
- Jeff Floyd - joined December 2025

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
Janice Rowlingson	11	9
Joan Matthews	11	10
John Matthews	11	11
Peter Paul	11	11
Bruce Procter	11	11
Luke Hill	11	8
Kathy Jones	6	6
Mary Kane	6	6
Jeff Floyd	6	6
Kelvin Simpson	4	4
Greg Mead	4	4

San Remo District Financial Services Limited

Directors' report

30 June 2026

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	Changes during		2026
	2025	the year	
Janice Rowlingson	3,300	-	3,300
Peter Paul	1,000	-	1,000
Joan Matthews	3,801	-	3,801
Luke Hill	3,300	550	3,850
Kathy Jones	1,100	-	1,100
Mary Kane	-	-	-
Jeff Floyd	-	-	-
John Matthews	3,801	-	3,801
Bruce Procter	-	-	-
Greg Mead - retired	25, 151	-	25, 151
Kelvin Simpson -retired	-	-	-

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Vanessa Verzaci: GradDipPsych, BA (Hons), CertCoSecEss. Over 15 years experience in corporate communications; 7 years experience as Board Secretariat for San Remo District Financial Services Ltd.

Principal activities

The principal activity of San Remo District Financial Services Limited during the financial year was 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 \$450,592 (2025: \$524,576).

Dividends paid or recommended

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

Fully franked dividends of \$133, 987 were declared in September 2025 and paid in November 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.

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.

San Remo District Financial Services Limited

Directors' report

30 June 2026

Future developments and results

The Company will continue its policy of providing banking services to the community.

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.

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 5 of this financial report.

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

John Matthews

Chair

San Remo District Financial Services Ltd.

Dated: 30.9.26

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 auditor for the audit of the financial report for the year ended 30 June 2026, 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.

A stylized, handwritten signature in black ink that reads 'RSD Audit'.

RSD Audit

A handwritten signature in black ink that appears to read 'Tyson Holt'.

Tyson Holt
Associate Director

30 September 2026

San Remo District Financial Services Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue			
Revenue from contract with customers	7.a	2,638,398	2,647,040
Finance income	8	14,583	12,408
Total		2,652,981	2,659,448
Expenses			
Employee benefits expense	9.a	(1,226,720)	(1,165,927)
Depreciation and amortisation	10	(150,515)	(165,639)
Finance costs	8.b	(33,801)	(54,820)
Administration expenses		(201,151)	(175,572)
Occupancy expenses		(80,530)	(68,719)
IT expenses		(104,886)	(76,852)
ATM expenses		(31,052)	(24,114)
Marketing expenses		(56,331)	(51,277)
Impairment losses on receivables		(25)	(2,176)
Total Expense		(1,885,011)	(1,785,096)
Operating profit before charitable donations and sponsorship		767,970	874,352
Charitable donations and sponsorships	11	(160,915)	(174,397)
Profit before income tax		607,055	699,955
Income tax expense		(156,463)	(175,379)
Profit for the year after income tax		450,592	524,576
Total comprehensive income for the year		450,592	524,576
Earnings per share			
2026		2025	
Basic and diluted earnings per share		30	35

The accompanying notes form part of these financial statements.

San Remo District Financial Services Limited

Statement of Financial Position

As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	13	368,848	262,495
Trade and other receivables	14	230,007	198,649
Other financial assets	15	10,733	10,377
Current tax receivable	20	-	35,400
Other assets	16	21,695	20,371
Total Current assets		631,283	527,292
Non-current assets			
Property, plant and equipment	17	3,259,272	2,718,211
Right-of-use assets	18	399,717	17,156
Intangible assets	19	186,436	11,378
Deferred tax assets	20	38,559	36,677
Total Non-current assets		3,883,984	2,783,422
Total Assets		4,515,267	3,310,714
Liabilities			
Current liabilities			
Trade and other payables	21	374,626	293,119
Borrowings	22	291,649	47,980
Employee benefits	9.b	89,482	88,688
Current tax liability	20	55,595	-
Lease liabilities	23	19,747	19,841
Total Current liabilities		831,099	449,628
Non-current liabilities			
Trade and other payables	21	131,602	-
Employee benefits	9.b	8,376	5,225
Lease liabilities	23	386,611	-
Total Non-current liabilities		526,589	5,225
Total		1,357,688	454,853
Net Assets		3,157,579	2,855,861
Equity			
Share capital	24	1,423,739	1,423,739
Retained earnings	25	1,733,840	1,432,122
Total Equity		3,157,579	2,855,861

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 2026

2025	Share Capital \$	Retained earnings \$	Total equity \$
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

2026	Share Capital \$	Retained earnings \$	Total \$
Opening balance	1,423,739	1,432,122	2,855,861
Profit for the year	-	450,592	450,592
Dividends provided for or paid	-	(148,874)	(148,874)
Closing balance	1,423,739	1,733,840	3,157,579

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 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities:			
Receipts from customers		2,607,015	2,839,592
Payments to suppliers and employees		(1,829,965)	(2,225,536)
Interest received		379	8,397
Interest paid		(33,801)	(54,820)
Income taxes paid		(67,350)	(303,655)
Net cash flows from operating activities	26	676,278	263,978
Cash flows from investing activities:			
Payments for intangible asset		(43,872)	(46,616)
Proceeds from disposal of investments		-	294,035
Payments for property, plant and equipment		(663,596)	(31,481)
Proceeds from sale of property, plant and equipment		54,349	-
Payments for Purchase of Investments		(356)	-
Net cash provided by/(used in) investing activities		(653,475)	215,938
Cash flows from financing activities:			
Repayment of lease liabilities		(34,096)	(74,016)
Dividends Paid		(126,023)	(129,396)
Net cash used in financing activities		(160,119)	(203,412)
Net increase/(decrease) in cash and cash equivalents		(137,316)	276,504
Cash and cash equivalents at beginning of year		214,515	(61,985)
Cash and cash equivalents at end of financial year		77,199	214,519

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 2026

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 2026.

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 27.

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 2026

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 2026

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 2026

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.

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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

3. Summary of Significant Accounting Policies (continued)

b. Revenue from Contracts with Customers (continued)

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.

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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

3. Summary of Significant Accounting Policies (continued)

c. Employee benefits (continued)

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.

d. Income tax

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

Current income 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.

e. 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.

f. 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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

3. Summary of Significant Accounting Policies (continued)

g. Property, Plant & Equipment

i. Recognition & Measurement

Items of property, plant and equipment are measured at cost or fair value as applicable, which includes capitalised borrowing 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.

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.

h. 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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

3. Summary of Significant Accounting Policies (continued)

h. Intangible Assets (continued)

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.

i. 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 and loans.

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 2026

3. Summary of Significant Accounting Policies (continued)

i. 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 2026

3. Summary of Significant Accounting Policies (continued)

i. 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 2026

3. Summary of Significant Accounting Policies (continued)

j. 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, contract 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.

k. 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.

l. 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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

3. Summary of Significant Accounting Policies (continued)

I. Leases (continued)

i. As Lessee (continued)

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.

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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

3. Summary of Significant Accounting Policies (continued)

m. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2026, refer to the Change in accounting policy note, for details of the changes due to standards adopted.

n. 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.

AASB 18 Presentation and Disclosure in Financial Statements was issued in June 2024 and replaces *AASB 101 Presentation of Financial Statements*. The standard is effective for annual reporting periods beginning on or after 1 January 2027 for applicable entities. The directors have assessed the new standard and do not expect its adoption to have a material impact on the Company's financial position or financial performance, although it may result in changes to the presentation and disclosure of information in the financial statements.

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.

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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

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

b. Assumptions & Estimation Uncertainty

Information about assumptions and estimation uncertainties at 30 June 2026 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 through promotion and inflation.

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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

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:

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.

Non-derivative financial liability	Carrying amount \$	<12 Months \$	1 - 5 Years \$	> 5 Years \$
Borrowings	291,649	240,000	51,649	-
Leases	406,358	40,495	202,475	334,084

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. Cash Flow & Fair Values Interest Rate Risk

Interest-bearing assets are held with Bendigo and Adelaide Bank and subject to movements in market interest. 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 cash and cash equivalents of \$368,848 at 30 June 2026 (2025: \$262,495). The cash and cash equivalents are held with Bendigo & Adelaide Bank, which are rated BBB on Standard & Poor's credit ratings.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

5. Financial risk management (continued)

c. Market risk (continued)

ii. Price risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value.

There is no exposure to the Company in regard to commodity price risk.

6. Capital Management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors 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:

(a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and

(b) 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 year ended 30 June 2026 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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

7. 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 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.

	2026	2025
	\$	\$
Revenue from contracts with customers	(2,638,398)	(2,647,040)
Disaggregation of Revenue from Contracts with Customers		
Gross Margin	(2,321,969)	(2,324,238)
Fee Income	(132,629)	(138,724)
Commission Income	(183,800)	(184,078)
Total	(2,638,398)	(2,647,040)

All revenue from contracts with 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.

8. 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.

	2026	2025
	\$	\$
Interest income	14,583	12,408

b. Finance expenses

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

	2026	2025
	\$	\$
Interest expense	33,801	54,820

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

9. Employee benefits

a. Employee benefits expenses

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

	2026	2025
	\$	\$
Employee Benefits Expense		
Salary and wage expenses	1,054,010	997,661
Superannuation contributions	116,706	116,855
Other employee benefit expenses	56,004	51,411
Total	1,226,720	1,165,927

b. Provisions for employee benefits

Current	2026	2025
	\$	\$
Long service leave	41,719	47,263
Provision Annual Leave	47,763	41,425
	89,482	88,688
Non-current	2026	2025
	\$	\$
Long service leave	8,376	5,225

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 2026

10. Depreciation & Amortisation Expense

	2026	2025
	\$	\$
Depreciation of Non-Current Assets		
Building Depreciation	37,978	9,682
Leasehold Improvement Depreciation	14,067	23,403
Depreciation Expense	9,720	11,216
Motor Vehicle Depreciation	6,421	6,421
Total	68,186	50,722
Amortisation of Intangible Assets		
Franchise fee	44,278	45,531
	44,278	45,531
Depreciation of Right-of-Use Assets		
Depreciation of right-of-use assets	38,051	69,386
Total	150,515	165,639

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).

11. 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).

	2026	2025
	\$	\$
Community Investments & Sponsorship		
Direct Sponsorship and grant payments	60,915	174,397
Contribution to the Community Enterprise Foundation	100,000	-
Total	160,915	174,397

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 2026

11. 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.

	2026	2025
	\$	\$
Disaggregation of CEF Funds		
Opening balance	1,636,000	1,082,162
Contributions paid	100,000	600,000
Grants paid out	(466,278)	(42,646)
interest received	57,586	75,560
Management fees incurred	-	(27,270)
GST	(37,552)	(51,806)
Balance available for distribution	1,289,756	1,636,000

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

12. Income tax expense

a. Accounting policy

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	2026 \$	2025 \$
Components of Tax Expense		
Current tax	158,345	35,400
Current tax expense	-	275,428
Deferred tax expense	(6,582)	3,736
Future income tax benefit	-	(115,459)
Under / (over) provision from prior years	4,700	11,674
Total	156,463	210,779

c. Reconciliation of income tax to accounting profit:

	2026 \$	2025 \$
Profit for the year		
Profit for the year	450,592	524,576
Add back income tax expense		
Current tax expense	156,463	175,379
Total Profit for the year	607,055	699,955
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2025: 25%)	151,764	174,989
Add / (Less) tax effect of:		
Under/over provision in respect to prior years	4,700	-
Temporary differences	6,583	-
Movement in deferred tax	(6,582)	-
Non-deductible expenses	-	390
Income tax attributable to the entity	156,463	175,379
Income tax expense	156,463	175,379
Weighted average effective tax rate (%)	26	25

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

13. Cash and cash equivalents

a. 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.

	2026	2025
	\$	\$
Cash & Cash Equivalents	368,848	262,495
Total	368,848	262,495

14. Trade and other receivables

	2026	2025
	\$	\$
Accrued Income	92	69
Trade Debtors	229,722	198,430
Sundry Debtors	193	150
Total	230,007	198,649

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.

15. Financial Assets

	2026	2025
	\$	\$
Term Deposits	10,733	10,377
Total	10,733	10,377

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.

16. Other assets

	2026	2025
	\$	\$
Prepaid Insurance	12,313	12,168
Prepaid Land Tax	5,792	4,613
Security Deposit	3,590	3,590
Total	21,695	20,371

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

16. Other assets (continued)

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.

17. Property, plant and equipment

a. Property, plant and equipment details

	2026			2025		
	\$			\$		
	At Cost /	Accumulated	Written	At Cost /	Accumulated	Written
	Valuation	Depreciation	Down Value	Valuation	Depreciation	Down Value
	\$	\$	\$	\$	\$	\$
Buildings	3,274,048	(168,548)	3,105,500	2,651,079	(130,570)	2,520,509
Leasehold improvements	304,061	(218,995)	85,066	454,285	(355,149)	99,136
Plant & Equipment	276,350	(235,818)	40,532	328,926	(264,955)	63,971
Motor Vehicles	42,805	(14,631)	28,174	42,805	(8,210)	34,595
Total	3,897,264	(637,992)	3,259,272	3,477,095	(758,884)	2,718,211

b. Movement in Carrying Amounts

2026	Buildings	Leasehold improvements	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$
Opening balance	2,520,509	99,136	90,653	34,594	2,744,892
Additions	622,968	-	13,947	-	636,915
Disposals	-	-	(54,349)	-	(54,349)
Depreciation	(37,978)	(14,067)	(9,720)	(6,421)	(68,186)
Closing balance	3,105,499	85,069	40,531	28,173	3,259,272

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

c. Capital Expenditure Commitments

The entity does not have any capital expenditure commitments as at 30 June 2026 (2025: None).

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

17. Property, plant and equipment (continued)

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.

18. 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 2026 \$	Total ROU Asset 2026 \$	Leased Buildings 2025 \$	Total ROU Asset 2025 \$
Leased asset	420,613	420,613	433,666	433,666
Accumulated depreciation	(20,896)	(20,896)	(416,510)	(416,510)
Total	399,717	399,717	17,156	17,156

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

18. Right-of-use Assets (continued)

Movement in carrying amounts:

	Leased Buildings \$	Total ROU Asset \$
Net Carrying Amount as at 1 July 2025	17,156	17,156
Additions	420,612	420,612
Depreciation of right-of-use assets	(38,051)	(38,051)
Total	399,717	399,717

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

	2026 \$	2025 \$
Depreciation expense related to right-of-use assets	38,051	69,386
Interest expense on lease liabilities	16,417	2,498

19. Intangible assets

a. Intangible asset details

	2026 \$			2025 \$		
	At Cost / Valuation \$	Accumulated Amortisation \$	Written Down Value \$	At Cost / Valuation \$	Accumulated Amortisation \$	Written Down Value \$
Franchise Fee	219,336	(32,900)	186,436	225,822	(214,444)	11,378
TOTAL	219,336	(32,900)	186,436	225,822	(214,444)	11,378

Movement in Carrying Amounts

2026	Franchise Fees \$	Total \$
Opening balance	11,378	11,378
Additions	219,336	219,336
Amortisation	(44,278)	(44,278)
Closing balance	186,436	186,436

2025	Franchise Fees \$	Total \$
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 2026

20. Tax assets and liabilities

a. Accounting policy

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

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

	2026
	\$
Income tax payable / (receivable)	55,595
Current tax assets	2026
	\$
Current tax	-
	2025
	\$
	35,400

c. Deferred Tax

Movement in the Company's deferred tax balances for the year ended 30 June 2026:

	2025	Recognised in P&L	2026
	\$	\$	\$
Deferred Tax Assets			
- Expense accruals	35,446	(22,988)	12,458
- Right of use assets	3,277	(1,617)	1,660
- Property, plant & equipment	7,870	(7,870)	-
- Employee provisions	23,478	986	24,464
Total deferred tax assets	70,071	(31,489)	38,582
Deferred Tax Liabilities			
- Right of use assets	(19,970)	19,970	-
- Accrued income	(743)	766	23
- Property, plant & equipment	(12,681)	12,681	-
Total deferred tax liabilities	(33,394)	33,417	23
Net deferred tax assets	103,465	(64,906)	38,559

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

20. Tax assets and liabilities (continued)

c. Deferred Tax (continued)

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

21. Trade and other payables

	2026	2025
	\$	\$
Current		
Other creditors and accruals	108,909	141,785
Net GST Payable	47,665	-
Dividends Payable	174,185	151,334
Total	330,759	293,119

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 2026

21. Trade and other payables (continued)

Non-current	2026	2025
	\$	\$
Other trade and other payables	131,602	-

22. Borrowings

	2026	2025
	\$	\$
Unsecured Liabilities		
Bank overdraft	291,649	47,980
Total	291,649	47,980

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 2026 was \$708,351 (2025: \$ 952,020).

23. Lease Liabilities

a. Lease Portfolio

Lease	Details
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 2026

23. Lease Liabilities (continued)

b. Lease Liabilities

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

	2026 \$	2025 \$
Current	(19,747)	(19,841)
Non-current	(386,611)	-

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 2026					
Lease Payments	40,495	80,990	121,485	334,148	577,118
Finance Charges	(20,748)	(38,330)	(48,506)	(63,176)	(170,760)
Net Present Value	19,747	42,660	72,979	270,972	406,358
30 June 2025					
Lease Payments	19,992	-	-	-	19,992
Finance Charges	(151)	-	-	-	(151)
Net Present Value	19,841	-	-	-	19,841

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

24. 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 2026	2026 \$	Number 2025	2025 \$
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

	2026 \$	2025 \$
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 2026

25. Retained Earnings

	2026	2025
	\$	\$
Balance at the beginning of the period	1,432,122	1,041,533
Profit for the year	450,592	524,576
Dividends paid	(148,874)	(133,987)
Total	1,733,840	1,432,122

26. Cash flow information

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

	2026	2025
	\$	\$
Profit for the year	450,592	524,576
Add / (less) non-cash items:		
Depreciation	106,237	130,601
Amortisation	44,278	44,079
Bad debts	25	2,176
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	(31,377)	200,073
(Increase) / decrease in prepayments and other assets	(1,324)	6,398
(Increase) / decrease in deferred tax asset	(1,882)	103,170
Increase / (decrease) in trade and other payables	14,789	(501,042)
Increase / (decrease) in current tax liabilities	90,995	(231,446)
Increase / (decrease) in provisions	3,945	(2,956)
Cash flows from operations	676,278	263,978

27. 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.

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

27. Related Parties (continued)

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.

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	10,433

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 with key management or related parties other than those described above.

28. Auditor's Remuneration

The appointed auditor of San Remo District Financial Services Limited for the year ended 30 June 2026 is RSD Audit. Amounts paid or due and payable to the auditor are outlined below.

	2026	2025
	\$	\$
Audit & Review Services		
Audit and review of financial statements (RSD Audit)	7,400	7,000
Total	7,400	7,000
Non-Audit Services		
Preparation of the financial statements	2,800	2,650
Total	2,800	2,650
Total auditor's remuneration	10,200	9,650

San Remo District Financial Services Limited

Notes to the Financial Statements

For the year ended 30 June 2026

29. Dividends

a. Dividends declared or paid

	Number	2026 \$	Number	2025 \$
The following dividends were declared and paid:				
Fully franked ordinary dividends	1,423,739	148,874	1,423,739	133,987

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

30. 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.

	2026	2025
Profit attributable to ordinary shareholders (\$)	450,592	524,576
Weighted average number of ordinary shares (Number)	1,488,739	1,488,739
Basic and diluted earnings per share (cents)	30	35

31. 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.

32. 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 2026 (2025: None).

33. Statutory information

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

San Remo District Financial Services Limited

57 Phillip Island Rd, San Remo VIC 3925

San Remo District Financial Services Limited

Directors' Declaration For the year ended 30 June 2026

In the Directors opinion:

In accordance with a resolution of the directors of San Remo District Financial Services Limited , 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 2026 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 44 is true and correct.

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

Dated: 30.9.26

John Matthews

Chair

San Remo District Financial Services Ltd.

San Remo District Financial Services Limited

Consolidated entity disclosure statement

As at 30 June 2026

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 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and other explanatory information and the Directors' declaration.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2026, 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 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.

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.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A stylized, handwritten signature of 'RSD Audit' in black ink.

RSD Audit

A handwritten signature of Tyson Holt in black ink.

Tyson Holt
Associate Director

30 September 2026

Community Bank · San Remo
57 Phillip Island Rd,
San Remo VIC 3925
Phone: 5678 5833
Email: 9122@bendigoadelaide.com.au
Web: bendigobank.com.au/SanRemo

Community Bank · Cowes
1/209-213 Settlement Rd,
Cowes VIC 3922
Phone: 5952 3383
Email: 9026@bendigoadelaide.com.au
Web: bendigobank.com.au/Cowes

Community Bank · Grantville
2/1503 Bass Highway,
Grantville VIC 3984
Phone: 5678 8773
Email: 9309@bendigoadelaide.com.au
Web: bendigobank.com.au/Grantville

Franchisee: San Remo District Financial Services Limited
ABN: 20 102 770 150
57 Phillip Island Rd
San Remo VIC 3925
Phone: 5678 5833
Email: admin@srdfs.com.au

Share Registry:
RSD Registry
PO BOX 30
Bendigo Vic 3552
(03) 5445 4222
shares@rsdregistry.com.au

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