

# Daylesford District Community Developments Limited

## 2024 Annual General Meeting Results of Meeting

At the Annual General Meeting of Daylesford District Community Developments Limited held on 26 November 2024, the following resolutions were passed unanimously on a show of hands.

Re-election of Directors retiring by rotation:

2 (a) That Carol Ross be re-elected as a Director of the Company

Election of Directors who had been appointed since the 2023 Annual General Meeting:

2 (b) That Shanthi Kumar be elected as a Director of the Company

2 (c) That Vic Delosa be elected as a Director of the Company

The Chairman's Address is set out on pages 2 and 3 of this statement.



Trevor Shard  
Company Secretary  
28 November 2024

**2024 Annual General Meeting  
Co-Chair's Address**

On behalf of your Board of Directors it gives me great pleasure to present the 2024 Co-Chair's Report.

Your Board and the team at Community Bank Daylesford District\* continue to deliver excellent results in customer service and engagement, profit generation and strong levels of investment back into our community throughout the year.

Our profit after tax for the financial year was \$121,834, down from our 2023 result of \$220,515. This was driven mainly by lower revenue (2024: \$993,909 versus 2023: \$1,219,590) due to greater industry competition for deposits and loans, which led to tighter margins.

Operating costs of \$804,561 were higher than 2023 (\$722,236).

This was mainly due to the Company recognising a \$50,000 provision for an insurance liability. The provision reflects the Company's contractual obligation to cover a claim arising from a credit loss in a prior period. The Board also recognised a contingent liability in the accounts in relation to the credit loss.

Your Board has worked hard to contain the costs that it can control. We applied an "across the board" wages and salaries increase of 3.5% in December 2023 consistent with our Enterprise Agreement. This resulted in higher employee benefits expense for the year of \$478,913, compared to \$457,728 in 2023.

Sponsorships and charitable donations were \$40,513, (2023: \$200,926). There was also a refund of \$14,000 from an organisation that the Company had sponsored which transitioned from not-for-profit into private hands. In addition, \$40,260 was paid to community groups and scholarship recipients from funds contributed to the Bendigo and Adelaide Bank Community Enterprise Foundation in previous years.

Your Board elected not to make a contribution to the Bendigo and Adelaide Bank Community Enterprise Foundation this year, with Directors taking the view to conserve cash for a potential refurbishment of the branch premises.

A fully franked special dividend of 6 cents per share which was provided for in the 2023 financial year was paid in November 2023. A fully franked dividend of 8 cents per share has been provided for in the 2024 financial year and will be paid in November 2024.

This year's result brought the cumulative amount of community investments to over \$860,000. Shareholders have received \$528,000 in dividend and capital returns, an average return of 7% per annum over the life of their investment.

Shareholder returns and community investments combined now total \$1.389 million or \$2.31 for each dollar invested by shareholders forming the company in 2012. This is strong validation of the benefits of the community bank model for the local community.

In December 2022 the Company purchased a property in Hepburn Springs. In addition to providing a solid investment for our shareholders, the property has been made available as a meeting place for community groups at no charge and is well patronised, averaging between 2 to 3 bookings per week. The kitchen is currently being renovated to provide catering facilities for small group functions.

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## Daylesford District Community Developments Limited

Looking ahead we see continued industry competition for deposits and loans. We expect this will result in similar margins and revenue to 2024. Market expectation is for a reduction in the Reserve Bank cash during the first half of 2025. A declining interest rate environment is likely to put our margins under pressure. Notwithstanding that your Company is on a firm financial footing and expects to be able to continue to fund community investments and provide good returns to shareholders.

Turning now to our Community Bank team, we have seen a number of staffing changes over the course of the year.

In November 2023 our then Branch Manager Mel Tudball was offered and accepted a regional manager role within the Bendigo Bank network. Bendigo arranged for Allana Wytkamp (West Ballarat) to fill the branch manager role in an acting capacity until a permanent appointment was made. In January 2024 we appointed Mel Houghton to the branch manager's role. Mel was previously at Beaufort Community Bank.

In March 2024 Kate Boyle left us to take up a position in Bendigo.

I'm pleased to report that Mel has settled in well and with her team, James, Miranda, Rachel and Caitlyn have continued to provide a welcoming and positive banking experience.

While other banks are closing regional branches and reducing hours, your Board is committed to providing banking services to our customers by continuing to trade during business hours from Monday to Friday.

Obviously, customers are key to the branch's operation and our continued ability to make significant contributions to our community through sponsorships and dividends. We thank them for the ongoing support and strive to maintain the highest level of service. Our banking franchisor - the Bendigo Bank, ensures that the Company can offer its customers a complete range of banking products in personal, commercial and rural banking markets.

Our thanks go to the current Directors and Board Committee members who voluntarily give their time and expertise throughout the year.

There have been some Board changes since year end. Peter Douglas stepped down on 26 September 2024. We thank Peter for his contribution to the Board and the Company.

On 30 September 2024 the Company received a notice of resignation from Chair Mark Rak.

Mark made a significant contribution over a 15 year period. He was one of the founding directors, Deputy Chair and he played an important part in the formation and continued success of the Company.

Following Mark's resignation the Board subsequently appointed myself and Phil Gay as Co-chairs.

Lastly, a special thanks to the Board's support team – Company Secretary Trevor Shard and Administration Assistant Bianca Amer.

Looking to the future, the Company's ongoing profitability has enabled the Board to implement a more sustainable approach to community investment by supporting longer term investments in community infrastructure and longer-term grants i.e. scholarships, and multi-year sponsorships (giving organisations greater financial certainty). The Board continues to seek opportunities to partner with local groups to provide long term benefits for our community.

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## Daylesford District Community Developments Limited

I can assure shareholders that your Board remains committed to growing a profitable Community Bank Branch that will provide both enduring shareholder dividends and increased funds for community investment for the future, as well as ensuring that branch banking facilities remain available to the community in the Daylesford Hepburn region and surrounding districts.

Our local bank, our local community, thriving together.

Thank you

Phil Lavelle

Co-Chair

26 November 2024

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