

Daylesford District Community Developments Limited

2022 Annual General Meeting Results of Meeting

At the Annual General Meeting of Daylesford District Community Developments Limited held on 24 January 2023 the following resolutions were passed unanimously on a show of hands.

Re-election of Directors retiring by rotation:

2 (a) That Marianne Dunham be re-elected as a Director of the Company

2 (b) That Margaret Hodge be re-elected as a Director of the Company

2 (c) That Phillip Gay be re-elected as a Director of the Company

Election of Directors appointed since the last Annual General Meeting:

2 (d) That Philip Lavelle 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
25 January 2023

Daylesford District Community Developments Limited

2022 Annual General Meeting Chair's Address

Thank you for attending the 2022 Daylesford District Community Developments Limited Annual General Meeting.

The 2022 results have been detailed in the financial statements and reflected a difficult trading period with reductions in profit and community contributions. Despite these difficulties the Board remained confident in the trajectory of the operation, with significant improvements in revenue seen towards the end of the financial year.

This improved confidence led to the Board with Bendigo Bank's support declaring an 8 cent fully franked dividend and a 6 cent return of capital which were paid in June 2022.

During the year, the Board exercised its option under the franchise agreement for a third 5-year term. In addition, the Board agreed to the updated franchise agreement and FTP profit share arrangement. This entitles the company to an additional 5-year option – effectively ensuring the franchise until at least 2033.

The 2023 year to date financial results have seen the anticipated upward trend in profitability continue as planned.

The changes to interest rates, that have been introduced over the last year, saw operating revenues return to the “more normal levels” of 6 to 10 years ago. This has improved margins and total revenue.

The rapid improvement has led the Board to make a number of significant financial decisions:

1. The payment of interim dividend of 8 cents per share (to be paid on Friday 27 Jan). The Board decided that it was appropriate to recognise the support of shareholders as part of its total revenue management. The Board may approve additional shareholder returns at the customary timing – in June 2023.
2. The Board decided to purchase the building at 113 Main Road, Hepburn Springs. This decision reflected the need and desire of the Board to have appropriate accommodation for its support staff and to house meetings for the volunteer board. It provides an opportunity to enhance the branch's visibility in the important customer area of Hepburn Springs. Furthermore, and very importantly, there will be opportunities to enable access to community groups for meetings/functions and events.
3. The purchase of 113 Main Road is consistent with the Board's desire to ensure shareholder value is retained and available to shareholders in the event that the Company or the franchise were to effectively cease. As part of its revenue management the Board developed significant levels of retained earnings and it believes the purchase of the property will provide a better long term asset. There is no intention to operate a branch from the Main Road site. That said, branch staff will have the capacity to meet with customers in Hepburn Springs.
4. As we emerge from the impact of Covid, many community organisations are re-activating. This has seen a significant increase in quality funding opportunities. The increase in revenue will enable DDCDL to significantly increase its community investments. A number of significant investments are currently being assessed by the Board. We look forward to sharing details of these as they are confirmed.

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Daylesford District Community Developments Limited

A key to the branch's performance is the staff. Our branch manager Mel Tudball continues to lead a professional and caring team. We would like to thank Mel for her ongoing efforts and strong commitment to the Daylesford Branch.

I would also like to congratulate Kate Boyle who was promoted to a senior role of Customer Relationship Manager – a well-deserved promotion. We also welcome and thank staff members, James Watson, Rachel Emslie and Miranda Saligari.

I can assure all customers that we will continue to strive to provide the best customer experience possible.

Next, thanks to Company Secretary Trevor Shard and administration support Sandy Jennings for their great work in supporting the Board in ensuring all regulatory and governance issues are properly handled plus provide support and feedback to shareholders.

A special mention to Jeff Bain – who continues in the role of treasurer. Although not on the Board, Jeff's input and insights are of great benefit to the company.

As detailed in the financial statements the company continued to support community groups through sponsorships and grants. A highlight was the 10th anniversary celebration with 10 grants provided on a draw basis. We look forward to seeing the electronic scoreboard being erected at Victoria Park and were pleased to support the Men's Shed with their Wombat Tree Christmas decoration project.

Commitments have been made in the current year to commence a tertiary scholarship program – which we are all excited about. Other large investments are planned and will be announced shortly.

Lastly, a huge thank you to my fellow directors. All provide their services in an honorary capacity. Their efforts have and continue to make the Company successful and enable it to contribute to the community and shareholders.

When you combine the value of community investments and returns to shareholders, the Company has returned over \$1 million. This is an amazing achievement and is a testament to everyone who was involved in the formation and ongoing operation of the company and branch.

We all look forward to increasing economic returns to the Daylesford and District communities going forward.

Thank you.

Mark Rak
Chair
24 January 2023

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