

Annual Report 2022

Daylesford District
Community Developments
Limited

Community Bank
Daylesford District

ABN 72 149 942 067

Community Bank Daylesford District acknowledges the traditional owners of this land, the Dja Dja Wurrung people, and we pay our respect to the elders past, present and emerging.

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Chairman's Report

Welcome to the Daylesford District Community Developments Limited (DDCDL) Annual Report for the year ended 30 June 2022. On behalf of the Board of Directors it gives us great pleasure to present this year's Annual Report. Your Board and the team at Community Bank Daylesford District continued to deliver excellent results in customer service and engagement, generation of profit and strong levels of investment back into our community's clubs, organisations, and events throughout 2021/22.

Our Results

The operating performance in 2021/22 continued to be heavily impacted by the effects of Covid-19 and uncertainty over the direction of interest rates. This dampened revenue compared to last year – despite an increase in the branch's footings. The profit (after tax) was \$53,320 (2021: \$105,488).

In late 2021, the Board elected to move to the Bendigo Bank Funds Transfer Pricing revenue sharing model resulting in higher revenue than under the previous arrangement. This change and the rapid increase in interest rates in May and June led to a significant and sustainable improvement in the company's profitability in the second half.

As a result, the Company, with the consent from Bendigo Bank, was able to maintain its shareholder dividend at 8 cent per share (fully franked) and also provide a return of capital of 6 cents per share.

This was the sixth consecutive year that a dividend has been paid and the third year with a capital return. Cumulative total shareholder returns are \$396,006, equivalent to 66% of the company's initial equity raising in 2012. Over our 10 years of operation Community Investment now exceeds \$600,000 – a significant contribution to our community's growth and wellbeing.

Footings at the end of the year were \$148 million, a net increase of \$17 million, or 13%, from 2021. This is a tribute to our hardworking staff and especially the ongoing loyalty of our customers and shareholders.

Community Bank Team

The branch continued a high level of customer service despite continued disruption of Covid-19 restrictions impacting face to face engagement with our customers. Under the excellent leadership of branch manager Melanie Tudball, the team performed at the highest level in a difficult environment. The impact of Covid-19 led to restrictions in opening hours and occasional closures. Despite these difficulties the team worked hard to ensure there was minimal impact on customers.

The Board thanks all staff for their contribution and congratulates Kate Boyle who was promoted to Customer Relationship Manager.

Customers

Customers are key to the branch's operation. We thank them for the ongoing support and strive to maintain the highest level of service.

Board of Directors

Our thanks to the current Directors and Board Committees who voluntarily give their time and expertise throughout the year. I want to particularly thank retiring director Victor Szwed for his contributions. A special thanks to the Board's support team – Company Secretary Trevor Shard and Administration support Sandy Jennings.

In April the branch celebrated its 10th anniversary which reflected the dedication and hard work of the current and past directors, steering committee members, community representatives and staff.

Chairman's Report

DDCDL successfully executed a new franchise agreement with Bendigo Bank for a 5-year term with an option for a further 5 years.

Our Community Contributions

Meaningful community investments remain the key focus of the company. We are proud to have made direct Community Investments of \$83,593 during FY21/22 – funded through a combination of operating profit and our Community Enterprise Foundation. Funding was impacted by the effects of Covid-19 – with many community organisations suspended or operating at reduced capacity, resulting in a reduced level of requests for support.

As part of our 10th birthday celebration, ten \$1,000 grants were provided to previously supported groups. DDCDL was also instrumental in the masterplan of the Daylesford Hospital redevelopment providing \$25,000 on a 1 for 3 community contribution basis.

Other significant contributions included a virtual reality unity for Daylesford Aged Care, funding to the Daylesford Men's Shed toward the Wombat Christmas tree project, the concert series at Stanbridge Hall and funding for Xmas Cheer and the 5000 club.

With the easing of Covid-19 restrictions it is anticipated that the level of community investments will increase going forward.

The Future

The Board will continue to seek opportunities for growth and is confident that changes to interest rates that commenced in May will result in operating margins more consistent with long term trends.

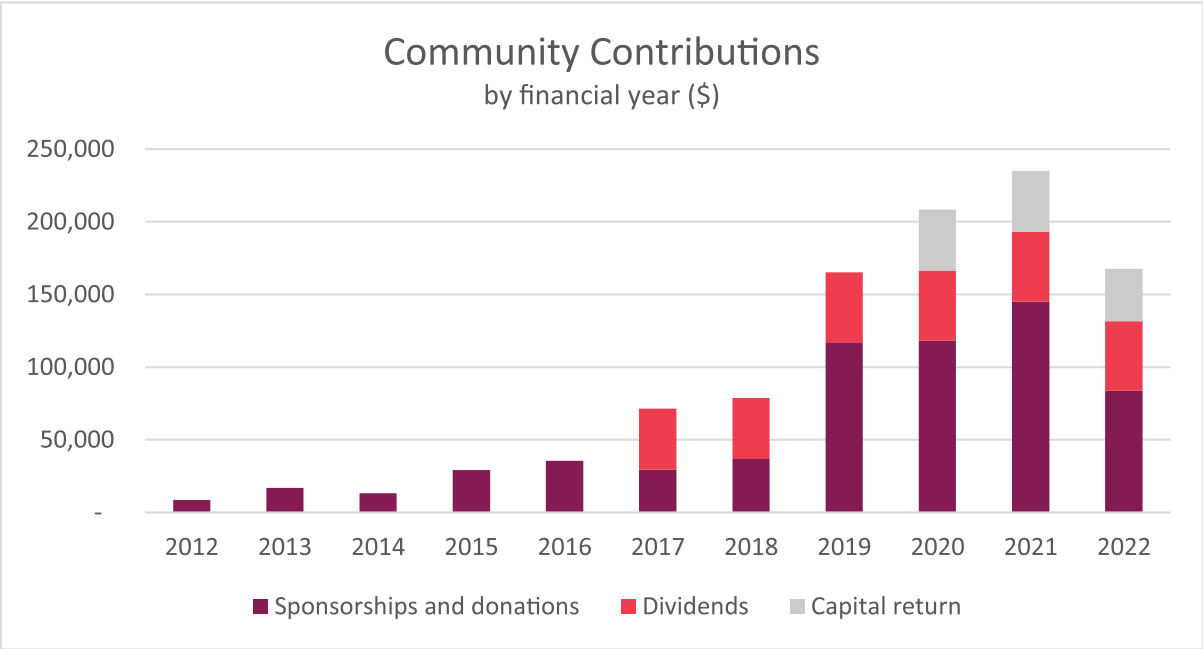
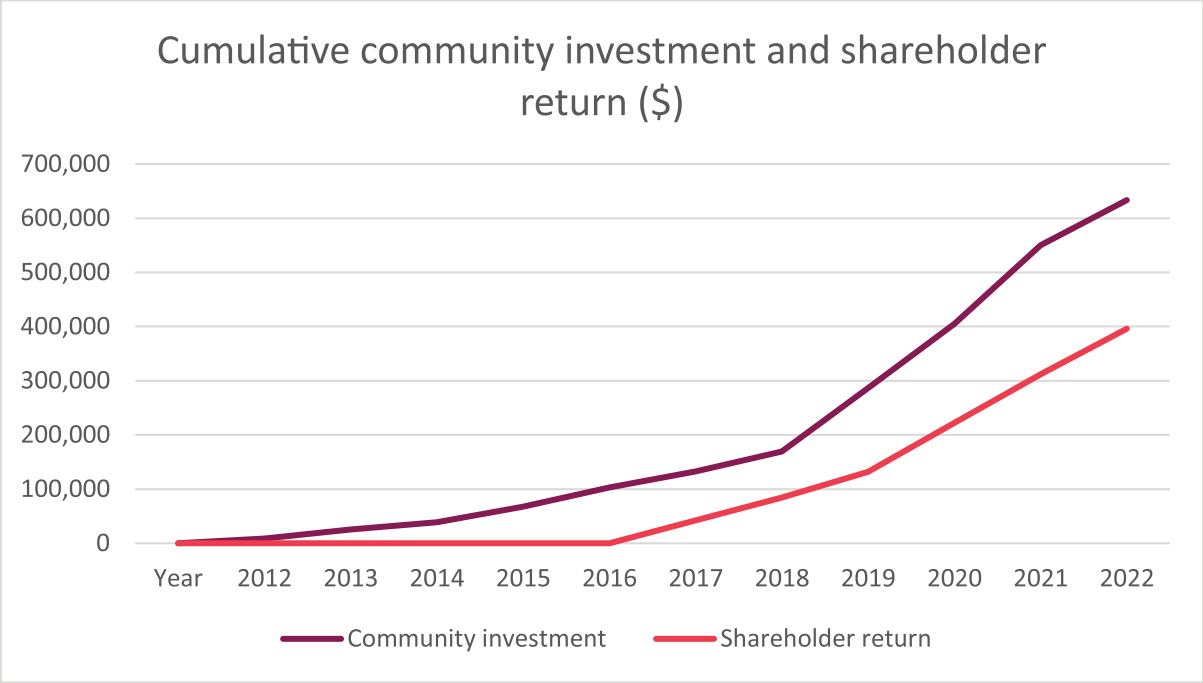
I assure all shareholders that the Board is determined to continue to build a profitable Community Bank Branch that will provide both enduring shareholder dividends and increased funds for community investment for the future, as well as ensuring that branch banking facilities remain available to the community in the Daylesford district.

Our Local Bank, Our Local Community, Thriving Together.



Mark Rak
Chair

Chairman’s Report



Manager's Report

It is my pleasure to present the 2022 Branch Manager's report for the Community Bank Daylesford District.

At the start of the year, the property and lending market was strong, fuelled by record low interest rates, a property boom, consumer confidence and affordability. However, the lending market was very competitive with cash back offers, honeymoon rates and online offerings. The level of enquiry reduced and the return on lending product was low. We have a strong focus on retention as well as business development.

In May 2022 the Reserve Bank of Australia (RBA) lifted the cash rate by 0.25%pa, the first rate increase since November 2010. Since then, the RBA has announced a further 7 rate rises in as many months totalling 3.0%pa so far in 2022. This has impacted confidence and enquiry and further reduced demand in the housing market and the volume of home loans. The upside of this, is that margins have improved on the lending and deposit side of our business since June 2022. This is providing a stronger profit position than previous.

The historically low interest rates until May 2022 meant that we also received minimal return on deposit funds. We have grown strongly in deposits over the past year but as the margins were minimal received little income from this source. This resulted in our income from all sources dropping slightly from the previous year. Our income and net profit (before charitable donations and sponsorship) dropped despite strong business growth of \$17 million.

I am pleased to provide the following key results for the branch :-

- 155 new customers chose to bank with us, up 6.9% on previous year
- 448 new accounts were opened – up 23.4% on previous year
- Deposits increased by \$20.5 million during the year
- We settled 34 new loans totalling \$14.6 million
- Our overall business increased by \$17 million against a target of \$14 million to \$148 million.

On the staffing front, Sean Dupe left as Customer Relationship Manager in Nov 2021 and Kate Boyle was promoted to this role in February 2022. Kate is a familiar face in the branch, loved by the customers and a wealth of knowledge within the branch. James Watson filled the vacancy created by Kate and joined us in January 2022. James has embraced the role and has become an integral part of our team and earned the respect of customers very quickly. We farewelled Amanda Lamb in August 2022. Amanda was well loved by the staff and customers, and we were sad to see her go. We were pleased to welcome Miranda Saligari in October 2022 as Amanda's replacement. Rachel has continued to grow into the Customer Advisor role this year. The team enjoy assisting customers and the community and bring their best every day and I'm proud to lead to a great team.

I would also like to express my thanks to our Board of Directors who volunteer their time and energy, and our Board Secretary Trevor Shard and Board Admin Officer Sandy Jennings for their expertise and passion for our Community Bank. The countless hours of commitment are very much appreciated, and our local communities are the beneficiaries of your dedication. Most importantly I would like to thank the support of our loyal customers and shareholders who understand we are more than just a Bank and trust us with their banking needs. Without you we would not be able to provide community support. We look forward to many more years of shared success.



Branch Manager
Melanie Tudball

Bendigo and Adelaide Bank Report

Community Bank Report 2022

BEN Message

July 2022

Community continues to be core to who we are at Bendigo and Adelaide Bank.

With your support, we are enabling community infrastructure to be built, strengthening the arts and culturally diverse communities, improving educational outcomes, and growing healthy places for Australians to live and work. On behalf of the Bank, thank you for continuing to play a vital role in supporting your community.

As we emerge from the pandemic and navigate a shifting economic landscape, the investments our Community Banks make in the future of the communities in which they operate has never been more important.

We are proud that more Australians are choosing to do their banking with Bendigo and Adelaide Bank – and importantly trust us with their financial needs. We are Australia's most trusted bank (Roy Morgan, May 2022), an outcome that you have all contributed to and should feel proud of.

Our purpose has never been more important; we remain committed to continuing to feed into the prosperity of our customers and communities, and not off them.

Your ongoing support as a shareholder is essential to the success of your local community. Together, we will continue to grow sustainably and make a positive impact for generations to come.

Warmest regards,



Justine Minne

Bendigo and Adelaide Bank

Community Investments

Summary

It was wonderful to receive applications from many of our local community groups who make life vibrant for local people and visitors too.

I am grateful to all Community Investment Committee (CIC) members for the time and effort they put into carefully evaluating applications and making recommendations about them. Our team included community representatives David Smith, Jenny Russell and Lesley Hewitt, Board members Carol Ross, Jim Foster, Joan Janssen, Kate Redwood, Victor Szwed and Peter Douglas, Board chairman Mark Rak and Branch Manager Melanie Tudball. Particular recognition is due to Sandy Jennings for efficiently taking care of the administration underpinning our investment program.

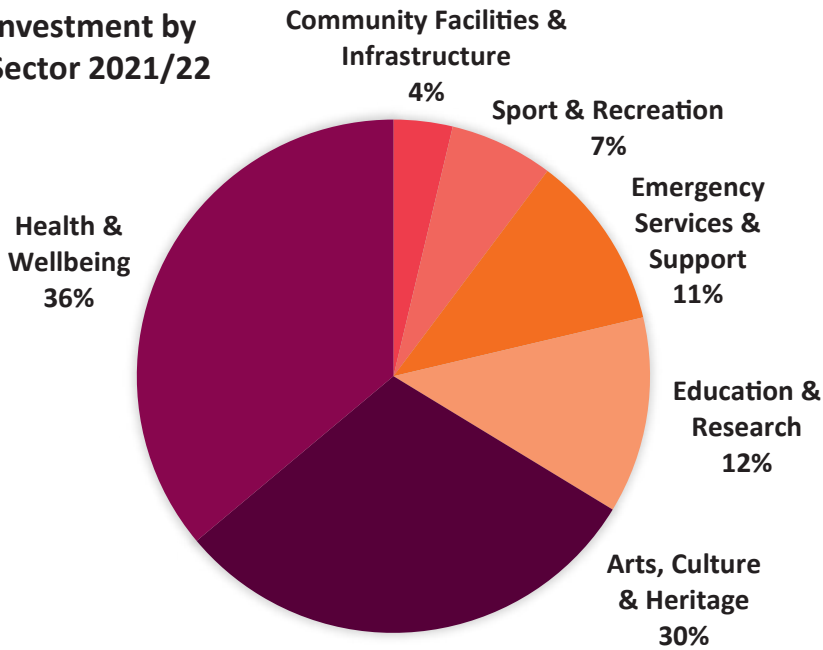
This year we considered 31 applications or proposals, resulting in investment in 22 local projects plus the lucky winners in our 10th Birthday Lucky Draw.

The total given to our community for the financial year was \$53,592. We also contributed \$30,000 to the Community Enterprise Foundation to support future project such as scholarships.



Margaret Hodge
Chair, Community Investment Committee

Investment by
Sector 2021/22



Community groups supported this year

Central Highlands Rural Health	Daylesford RSL Sub Branch Inc
Christ Church, Anglican Parish of Daylesford	Glenlyon Sports Club
Daylesford and District Horticultural Society	Hepburn Primary School
Daylesford and District Pipes and Drums Inc	Hepburn Region Blue Light Inc
Daylesford and District Senior Citizens Centre Inc	Hepburn Regional Community Cheer
Daylesford and Hepburn United Soccer Club Inc	Hepburn Springs Golf Club
Daylesford Community Brass Band Inc	Rotary Club of Daylesford Inc
Daylesford Fire Brigade (CFA)	Safe Place Homes Inc.
Daylesford Girl Guides	St Michael's Primary School
Daylesford Lawn Tennis Club Inc	The 5000 Club Inc
Daylesford Men's Shed	The Wombat Post
Daylesford Neighbourhood Centre	U3A Hepburn Shire
Daylesford New Year's Eve Parade	

Community Investments

Branch 10th Birthday Celebrations

Our Community Bank Branch celebrated its 10th birthday on 8 April. Manager, Melanie Tudball, and staff members, Kate Boyle, Rachel Emslie, Amanda Lamb and James Watson organised a fantastic street party celebration that was well attended by the community.

Branch Manager, Melanie Tudball said, “It was great to celebrate 10 years of success with our customers and the local community.”



Current and past staff and directors celebrated at a Daylesford restaurant and reminisced over the growth of the branch and company during its first 10 years.

Community Investments

Branch 10th Birthday Celebrations

In a two week lead up to the main event, the Community Bank Daylesford District gave away \$1,000 a day to a randomly selected local community group. The initiative saw \$10,000 in total given back to various Community Groups to celebrate the Branch’s 10 years of service.

The 10 lucky groups were:



“I had the privilege of making the phone calls to each of the lucky winning groups. The feedback from the groups was resoundingly positive and every person I spoke to was so appreciative of the support. It is an incredible feeling knowing that our roles here in the branch can do so much to assist our greater community. We are all extremely proud to be a part of the team at Community Bank Daylesford District”.
Customer Relationship Manager, Kate Boyle

Community Investments

Health & Wellbeing Sponsorship Stories

Community Bank Daylesford District supported six health and wellbeing projects in our area.

This was a total of \$19,341, representing 36% of our community investments for 2021/22. Additionally, a seventh project was funded from the company's portion of the Community Enterprise Foundation.

We were instrumental in Central Highlands Rural Health (CHRH) raising \$100,000 to pay for a masterplan for the redevelopment of the Daylesford Hospital Campus. We provided \$1 for every \$3 raised from the community, with \$15,000 this year and \$10,000 the previous year. It took only 6 weeks to raise the total amount, indicating the importance our community places on their local health infrastructure.



Other projects, totaling \$4,341, supported The 5000 Club and Hepburn Regional Community Cheer in providing meals and essential items for local disadvantaged people.

Groups that provide support and fellowship for the local community were also supported. These included the Daylesford RSL Sub Branch, Daylesford & District Senior Citizens Centre, and Hepburn Region Blue Light.



Our Community Enterprise Foundation portion funded another CHRH project. At a cost of \$14,135, we purchased a tabletop virtual reality device for the local aged care facility to support the social, emotional, cognitive and physical wellbeing of the residents.

Community Investments

Arts, Culture & Heritage Sponsorship Stories

Community Bank Daylesford District supported eight groups relating to arts, culture and heritage activities in our area.

This was \$16,191, representing 30% of our total community investments for 2021/22.

We have supported the Daylesford Community Brass Band since the Community Bank Branch opened. This year we helped them buy a new trombone, as well as general sponsorship of the band's activities. The Band is a popular performer at many local community events and is well loved.

Another local band, the Daylesford & District Pipes & Drums was a lucky recipient of one of our 10th Birthday Lucky Draw Prizes.

We are major sponsors of The Wombat Post, our local online community newspaper.

Other groups supported include Daylesford New Year's Eve Parade, Rotary Club of Daylesford Art Show, Daylesford and District Horticultural Society, Christ Church Anglican Parish of Daylesford's Concert Series and The Daylesford Men's Shed's wombat Christmas tree decorations.



"We thought a community-led collection of Christmas decorations would help to make the town more festive. Since Daylesford was once called Wombat, these furry creatures were an obvious choice to decorate the handmade trees. We just wanted to get people of all ages together to bring some Christmas cheer to Daylesford. Everyone's got on board and we're pretty proud of what we've achieved." DDCDL Chair and member of Daylesford Men's Shed, Mark Rak



Community Investments

Education & Research Sponsorship Stories

Community Bank Daylesford District supported four groups relating to education and research in our area.

This was \$6,636, representing 12% of our total community investments for 2021/22.

We were thrilled to provide student seating for an outdoor classroom at Hepburn Primary School. We also assisted the Daylesford Girl Guides to reactivate their post-COVID pandemic programs once restrictions were lifted. We sponsored the “Bungee Run” at the St Michael’s Primary School Fete. U3A Hepburn Shire is a big education provider for older local people, and was a lucky recipient of a 10th Birthday Lucky draw prize.



Community Investments

Emergency Services & Support Sponsorship Stories

Community Bank Daylesford District made one major investment relating to emergency services and support in our area.

This was \$5,933, representing 11% of our total community investments for 2021/22.

The Daylesford Fire Brigade (CFA) is the main brigade in the region and is responsible for teaching volunteers from Daylesford and surrounding areas first aid and rescue. We were happy to help them buy three rescue mannequins that are used in this teaching. The mannequins were named in honour of our community bank branch and are called Ben, Adelaide and Junior.

This benefits our community and also local communities who learn their first aid and rescue skills from the Daylesford CFA. The mannequins are life size and weight. Adelaide can also take equipment for resuscitation training and the two others have voice recording capabilities so that members can learn to talk to victims during an incident.



Community Investments

Sport & Recreation Sponsorship Stories

Community Bank Daylesford District supported four groups relating to sport and recreation in our area.

We were happy to support local sports groups to keep our community members healthy and active by providing a total of \$3,500, representing 7% of our total community investments for 2021/22.

Groups supported were: Glenlyon Sports Club's New Year's Day Family Sports Day; Hepburn Springs Golf Club, Daylesford and Hepburn United Soccer Club, and the Daylesford Lawn Tennis Club. The Glenlyon Sports Club was also a lucky recipient of a 10th Birthday Lucky draw prize.



"With the help of the Daylesford District Community Bank we met our objectives. The donation helped us set up and run the day. The monies help with costs such as the St Johns Ambulance, prize money for the event and licenses."

Evan Davis, Secretary

Community Facilities & Infrastructure

Community Bank Daylesford District supported two groups relating to community facilities & infrastructure activities in our area.

This was \$1,991, representing 4% of our total community investments for 2021/22.

We sponsored two community groups concerned with improving local community facilities this year. We funded an external defibrillator for the Daylesford Neighbourhood Centre. We also contributed to website development for Safe Place Homes, so that clearer advice can be given to people with urgent needs can more easily find help.



Daylesford District Community Developments Limited

ABN: 72 149 942 067

Financial Report

For the Year Ended 30 June 2022

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Daylesford District Community Developments Limited
ABN 72 149 942 067
Directors' Report

The Directors present their Report of Daylesford District Community Developments Limited (the 'Company') for the financial year ended 30 June 2022.

Directors

The following persons were Directors of the Company during or since the end of the financial year up to the date of this Report:

Marek Julius Rak (appointed 18 March 2011, re-elected 23 November 2021)	
Qualifications and experience	Bachelor of Science (Monash); Grad Dip EDP (RMIT). Founder & retired Managing Director of Trident Computer Services Pty Ltd. Chair, Daylesford Indoor Aquatic Centre Inc.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Board Chair; Chair, Recruitment & Remuneration Committee; Ex officio Member of all Board Sub-committees
Marianne Dunham (appointed 24 September 2019, elected 19 November 2019)	
Qualifications and experience	LLB University of Tasmania; Graduate Diploma Legal Practice ANU; Master of Science and Technology Commercialisation, University of Adelaide and Texas; Member of the Australian Institute of Company Directors. Non-executive director and senior commercial lawyer with extensive experience in the commercialisation of innovative products and services, the growth of start-ups and established businesses.
Other current directorships	Clene Australia Pty Ltd; Decibel Therapeutics Australia Pty Ltd; Q32 Bio Australia Pty Ltd
Former directorships in last 3 years	Nil
Special responsibilities	Chair, Risk Management Committee
Philip Roy Gay (appointed 16 April 2012, re-elected 24 November 2020)	
Qualifications and experience	Bachelor of Arts (Finance & Accounting); Advanced Management Program (Harvard Business School); Fellow of CPA Australia; Fellow of Institute of Chartered Secretaries and Administrators; Fellow of the Governance Institute of Australia; Member of Australian Institute of Company Directors. Former Chief Financial Officer & Operating Group Managing Director of Pacific Dunlop Ltd.
Other current directorships	Chair of RG Withers Group.
Former directorships in last 3 years	7-Eleven Stores Pty Ltd
Special responsibilities	Chair, Finance & Audit Committee; Member, Risk Management Committee

Daylesford District Community Developments Limited
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Directors' Report

Margaret Catherine Hodge (appointed 27 November 2018, elected 19 November 2019)	
Qualifications and experience	Diploma of Applied Science (Prosthetics and Orthotics), Lincoln Institute of Health Sciences; Bachelor of Prosthetics and Orthotics (Honours), La Trobe University; Fellow of the International Society for Prosthetics and Orthotics (ISPO); former member of the Australian Orthotics Prosthetics Association. 30 years experience in clinical practice in the public health sector, as a lecturer at La Trobe University and in leadership roles in not-for-profit organisations including 6 years on the ISPO Executive Board.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Chair, Community Investment Committee Member, Marketing Committee; Member, Risk Management Committee

Joan Mary Janssen (appointed 19 November 2013, re-elected 24 November 2020)	
Qualifications and experience	Diploma of Teaching, Primary (ACU, Ballarat); Graduate Diploma of Student Welfare (Hawthorn); Master of Education (Melb). 31 years' experience in education, including 12 years as School Principal; former Director of the Melba Foundation.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Member, Finance & Audit Committee; Member, Community Investment Committee

Victor Szwed (appointed 13 March 2018, retired 23 November 2021)	
Qualifications and experience	Diploma of Civil Engineering and Diploma of Town Planning (RMIT). Formerly Chief Executive Officer of Hepburn Shire Council.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Chair, Marketing Committee

Carol Louise Ross (appointed 28 October 2014, re-elected 23 November 2021)	
Qualifications and experience	Diploma of Teaching-Primary, Diploma of Personal Counselling and Graduate Diploma of Educational Administration. Employed in education for 38 years including within the Department of Education head office and as Assistant Principal and Principal in Primary schools for the last 17 years, retiring in 2008.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Member, Community Investment Committee

Daylesford District Community Developments Limited
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Directors' Report

James Arthur Foster (appointed 4 November 2020, elected 24 November 2020)	
Qualifications and experience	Co-founder and secretary of The Daylesford Foundation a local not for profit. Former senior executive with public company Simsmetal Pty Ltd. Australia's leading metal recycling company. Founder and director of recycling company Associated Metals Pty Ltd sold to Smorgon Steel in 1995. Founder and director of recycling company Commercial Metals Pty Ltd sold to private equity in 2007. Former director of a logistics company moving land-based drilling rigs across the globe. In total 40 years of management experience across public and private companies.
Other current directorships	Starway Nominees Pty Ltd, Hayland Pty Ltd, ITAC Services (Aust) Pty Ltd, Armasuno Pty Ltd, Arjoma Pty Ltd
Former directorships in last 3 years	Nil
Special responsibilities	Member, Community Investment Committee; Member, Risk Management Committee

Catherine Redwood, AM (appointed 24 November 2020, elected 23 November 2021)	
Qualifications and experience	BA/BSW hons Monash University, Accelerated MBA Melbourne Business School Catherine (known as Kate) has held senior management positions in both state government and the not for profit sector and in recent years a number of board positions, notably 9 years on the State Trustees Ltd board. She is currently Deputy Chair Central Highlands Rural Health. She has completed four terms as an elected councillor – two with City of Melbourne and two with Hepburn Shire Council. Kate was Hepburn Shire's mayor in 2015.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Member, Community Investment Committee

Peter Douglas (elected 23 November 2021)	
Qualifications and experience	B Bus (Marketing) Peter has held roles with large FMCG (Fast Moving Consumer Goods) businesses with Fosters International, Nestle, Fonterra and Bidvest, with a focus on National & International Sales Roles, along with an International and domestic role with the largest independent wine producer. Peter is currently Director of Belle Property Daylesford & Trentham with real estate sales and property management. Has been a local resident since 2015 and a strong advocate for the success of the region.
Other current directorships	Belle Property Daylesford, Belle Property Trentham
Former directorships in last 3 years	Nil
Special responsibilities	Chair, Marketing Committee Member, Community Investment Committee

Directors were in office for this entire year unless otherwise stated.

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

Daylesford District Community Developments Limited
ABN 72 149 942 067
Directors' Report

Directors' meetings

Attendances by each Director during the financial year were as follows:

	Board Meetings		Finance & Audit Committee Meetings		Community Investment Committee Meetings		Risk Management Committee Meetings		Marketing Committee Meetings ¹	
Director	A	B	A	B	A	B	A	B	A	B
Marek Julius Rak *	6	6	6	6	7	6	3	3		
Marianne Dunham	6	6	-	-	-	-	3	3		
Philip Roy Gay	6	5	6	6	-	-	3	3		
Margaret Catherine Hodge	6	6	-	-	7	7	3	2		
Joan Mary Janssen	6	6	6	6	7	7	-	-		
Carol Louise Ross	6	5	-	-	7	6	-	-		
Arthur James Foster	6	5	-	-	7	7	3	2		
Kate Redwood	6	6	-	-	7	3	-	-		
Victor Szwed	2	1	-	-	3	0	-	-		
Peter Douglas	4	3	-	-	4	2	-	-		

A - The number of meetings eligible to attend.

B - The number of meetings attended.

* - The Board Chair is entitled to attend all Committees ex officio

1. There were no marketing committee meetings held during the year

Treasurer

Jeff Bain is the Treasurer. He holds a Bachelor of Economics.

Company Secretary

Trevor Shard is the Company Secretary. He holds a Bachelor of Economics and a Diploma of Community Services, is a Senior Associate of the Financial Services Institute and a Fellow of the Governance Institute of Australia. He was former Company Secretary of Pasminco Limited and several other listed, public unlisted and proprietary companies.

Principal activities

The principal activities of the Company during the course of the financial year were in providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There have been no significant changes in the nature of these activities during the year.

Review of operations

Profit after tax for the financial year was \$53,320, (2021: \$105,488). Operating profit before tax, sponsorships and donations was \$159,873, (2021: \$287,472).

Low interest rates, unfavourable changes to the product mix and increased competition contributed to lower margins. In January 2022 the Company adopted new revenue share arrangements, which were a condition of the forthcoming franchise renewal in April 2022 (refer below). The new revenue share arrangements along with improved market conditions proved to be more beneficial for the Company and revenue improved during the second half of the year. Sponsorships and charitable donations for the year were \$83,593, (2021: \$145,008) including a contribution of \$30,000 to the Bendigo and Adelaide Bank Community Enterprise Fund which will be directed to local community investments in the future.

Continuing positive operating cash flow enabled the Company to maintain a strong cash position, while being able to pay a fully franked 8 cents per share dividend and a 6 cents per share return of capital.

Daylesford District Community Developments Limited
ABN 72 149 942 067
Directors' Report

The Company's franchise agreement with Bendigo and Adelaide Bank Limited was renewed in April 2022 for 5 years and may be renewed for a further 5 years from 2027 at the Company's request. The branch premises lease was renewed for 5 years from December 2021.

The Company is on a firm financial footing and with rising interest rates is enjoying improving margins. There are good prospects to see higher revenue in the year ahead.

Dividends

A fully franked dividend of 8 cents per share (2021: partially franked 8 cents per share) was paid during the financial year.

Return of Capital

A capital reduction of 6 cents per share (2021: 7 cents per share) was paid during the financial year.

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 the state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Events subsequent to the end of the reporting period

The Company has agreed to purchase a commercial property in Hepburn Springs for use as an office space and community meeting facility.

Likely developments

The Company will continue to provide banking services to the local community.

Environmental regulations

The Company is not subject to any significant environmental regulation.

Indemnifying Officers or Auditor

The Company has agreed to indemnify each Officer (Director, Treasurer, Secretary or employee) out of assets of the Company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The Company also has Officers' Insurance for the benefit of Officers of the Company against any liability incurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the Officer's duties.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Daylesford District Community Developments Limited
ABN 72 149 942 067
Directors' Report

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's Independence Declaration

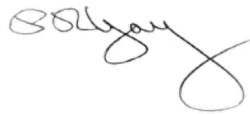
A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 33 of this Financial Report. No Officer of the Company is or has been a partner of the Auditor of the Company.

Signed in accordance with a resolution of the Board of Directors at Daylesford on 13 January 2023.

Marek Rak
Chair



Philip Gay
Director



Daylesford District Community Developments Limited
ABN 72 149 942 067
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	2	806,863	967,163
Expenses			
Employee benefits expense	3	396,988	374,695
Depreciation	3	61,351	97,995
Administration and general costs		83,633	93,372
Finance costs	3	6,622	2,858
Rental expense		11,155	7,261
Other occupancy expenses		37,023	41,510
IT costs		31,729	37,060
Advertising and marketing		11,954	11,559
ATM costs		6,535	6,629
Motor vehicle costs		-	6,752
		<u>646,990</u>	<u>679,691</u>
Operating profit / (loss) before charitable donations and sponsorships		159,873	287,472
Charitable donations and sponsorships		<u>83,593</u>	<u>145,008</u>
Profit / (loss) before income tax		76,280	142,464
Income tax expense / (benefit)	4	<u>19,088</u>	<u>36,412</u>
Profit / (loss) for the year		<u>57,192</u>	<u>106,052</u>
Other comprehensive income			
Gain / (loss) on the revaluation of equity instruments at fair value		<u>(3,872)</u>	<u>(564)</u>
Total comprehensive income for the year		<u>53,320</u>	<u>105,488</u>
Profit / (loss) attributable to members of the Company		53,320	105,488
Total comprehensive income attributable to members of the Company		<u>53,320</u>	<u>105,488</u>
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company (cents per share):			
- basic earnings per share	18	8.89	17.58

These Financial Statements should be read in conjunction with the accompanying notes.

Daylesford District Community Developments Limited
ABN 72 149 942 067
Statement of Financial Position
as at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	5	246,921	364,694
Trade and other receivables	6	84,872	78,604
Financial assets	7	45,828	24,435
Prepayments	8	28,890	32,795
Total current assets		406,511	500,528
Non-current assets			
Property, plant and equipment	9	919	13,559
Deferred tax assets	4	16,690	12,891
Right of use assets	10	225,649	22,679
Total non-current assets		243,258	49,129
Total assets		649,769	549,657
Liabilities			
Current liabilities			
Current tax liabilities	4	(10,407)	30,505
Trade and other payables	11	69,876	120,356
Lease Liabilities	12	43,358	23,533
Provisions	13	50,526	33,137
Total current liabilities		153,353	207,531
Non-current liabilities			
Lease Liabilities	12	182,623	-
Provisions	13	5,232	2,884
Total non-current liabilities		187,855	2,884
Total liabilities		341,208	210,415
Net assets		308,561	339,242
Equity			
Issued capital	14	455,519	491,519
Retained earnings / (Accumulated losses)	16	(146,958)	(152,277)
Total equity		308,561	339,242

These Financial Statements should be read in conjunction with the accompanying notes.

Daylesford District Community Developments Limited
ABN 72 149 942 067
Statement of Changes in Equity
for the year ended 30 June 2022

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2020		533,519	(209,764)	323,755
Profit / (Loss) for the year		-	106,052	106,052
Other comprehensive income for the year		<u>-</u>	<u>(564)</u>	<u>(564)</u>
Total comprehensive income for the year		-	105,488	105,488
Transactions with owners, in their capacity as owners				
Return of capital	14	(42,000)	-	(42,000)
Dividends paid or provided	17	<u>-</u>	<u>(48,001)</u>	<u>(48,001)</u>
Balance at 30 June 2021		<u>491,519</u>	<u>(152,277)</u>	<u>339,242</u>
Balance at 1 July 2021		491,519	(152,277)	339,242
Profit / (Loss) for the year		-	57,192	57,192
Other comprehensive income for the year		<u>-</u>	<u>(3,872)</u>	<u>(3,872)</u>
Total comprehensive income for the year		-	53,320	53,320
Transactions with owners, in their capacity as owners				
Shares issued during the year		-	-	-
Return of capital	14	(36,000)	-	(36,000)
Dividends paid or provided	17	<u>-</u>	<u>(48,001)</u>	<u>(48,001)</u>
Balance at 30 June 2022		<u>455,519</u>	<u>(146,958)</u>	<u>308,561</u>

These Financial Statements should be read in conjunction with the accompanying notes.

Daylesford District Community Developments Limited
ABN 72 149 942 067
Statement of Cash Flows
for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		800,595	975,763
Payments to suppliers and employees		(689,448)	(657,320)
Interest paid		(6,622)	(2,858)
Interest received		-	702
Income Tax Paid		(63,799)	(5,334)
Net cash provided by / (used in) operating activities	19b	<u>40,726</u>	<u>310,953</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(726)
Proceeds from sale of property, plant & equipment		-	46,364
Net cash flows from / (used in) investing activities		<u>-</u>	<u>45,638</u>
Cash flows from financing activities			
Purchase of Investments		(25,265)	(25,000)
Repayment of borrowings		(49,233)	(53,577)
Repayment of capital		(36,000)	(42,000)
Dividends paid		(48,001)	(48,001)
Net cash provided by / (used in) financing activities		<u>(158,499)</u>	<u>(168,578)</u>
Net increase / (decrease) in cash held		(117,773)	188,013
Cash and cash equivalents at beginning of financial year		364,694	176,681
Cash and cash equivalents at end of financial year	19a	<u><u>246,921</u></u>	<u><u>364,694</u></u>

These Financial Statements should be read in conjunction with the accompanying notes.

These Financial Statements and Notes represent those of Daylesford District Community Developments Limited.

Daylesford District Community Developments Limited ('the Company') is a company limited by shares, incorporated and domiciled in Australia.

The Financial Statements were authorised for issue by the Directors on 12 January 2023.

1. Summary of significant accounting policies

(a) Basis of preparation

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 and International Financial Reporting Standards as issued by the International Accounting Standards Board (AASB). 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.

Economic dependency

The Community Bank Daylesford District branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank", the logo, and systems of operation of Bendigo and Adelaide Bank Limited. The Company manages the Community Bank branch on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank branch are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited or its wholly owned subsidiaries and all personal and investment products are products of Bendigo and Adelaide Bank Limited, 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 and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited, other than where the Branch Manager and other authorised staff have delegated authority to approve certain loans on a limited basis. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Economic dependency (continued)

Bendigo and Adelaide Bank Limited provides significant assistance in maintaining the Community Bank branch's 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 in relation to:

- Advice and assistance in relation to the design, layout and fit out of the Community Bank branch;
- Training and performance appraisal for the Branch Manager and other employees in banking, management systems and interface protocol;
- Methods and procedures for the sale of products and provision of services;
- Security and cash logistic controls;
- Calculation of Company revenue and payment of certain operating and administrative expenses on behalf of the Company;
- The formulation and implementation of advertising and promotional programs; and
- Sales techniques and best practice customer relations.

(b) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment includes the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(c) Goods and services tax (GST)

Revenues and expenses are recognised net of the amount of GST.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Tax Office (ATO) is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(d) New and amended accounting policies adopted by the Company

No new or amended accounting policies were adopted in the year ended 30th June 2022

(e) Comparative figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. There were no changes to comparatives in this report.

1. Summary of significant accounting policies (continued)**(f) Critical accounting estimates and judgements**

The Directors evaluate estimates and judgements incorporated into the Financial Statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than the previously estimated lives.

Fair value assessment of non-current physical assets

The AASB 13 Fair Value standard requires fair value assessments that may involve both complex and significant judgement and expertise.

Employee benefits' provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Recovery of Deferred Tax Assets

The Company is subject to income tax. Significant judgement is required in determining the deferred tax asset. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits are based on the Company's assessment of future cash flows.

Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

1. Summary of significant accounting policies (continued)

(f) Critical accounting estimates and judgements (continued)

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 6, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

(g) New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Company's financial statements.

Daylesford District Community Developments Limited

ABN 72 149 942 067

Notes to the Financial Statements
for the year ended 30 June 2022

2. Revenue

Revenue arises from the rendering of services through the Company's franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable and is stated net of GST.

The Company applies the revenue recognition criteria set out below to each separately identifiable sales transaction in order to reflect the substance of the transaction.

Rendering of services

The Company generates service commissions on a range of products issued by the Bendigo and Adelaide Bank Limited. The revenue includes upfront and trailing commissions, sales fees and margin fees.

Interest, dividend and other income

Interest income is recognised on an accrual basis using the effective interest rate method.

Dividend and other revenue is recognised when the right to the income has been established.

	2022 \$	2021 \$
Revenue		
- service commissions, margins and fees	791,009	917,982
- market development fund	15,000	22,500
	<u>806,009</u>	<u>940,482</u>
Other revenue		
- interest received	-	702
- Government subsidies and grants	-	16,647
- profit on sale of assets	854	7,227
- sundry income	-	2,105
Total revenue	<u>806,863</u>	<u>967,163</u>

3. Expenses

Operating expenses

Operating expenses are recognised in profit or loss on an accruals basis, which is typically upon utilisation of the service or at the date upon which the entity becomes liable.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised leased assets, but excluding freehold land, is depreciated over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

<i>Class of asset</i>	<i>Rate</i>	<i>Method</i>
Leasehold improvements	15.75%	Straight Line
Plant and equipment	30-67%	Diminishing Value
Motor vehicles	25%	Diminishing Value

Daylesford District Community Developments Limited

ABN 72 149 942 067

**Notes to the Financial Statements
for the year ended 30 June 2022**

3. Expenses (continued)

Gains/losses upon disposal of non-current assets

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

	2022	2021
	\$	\$
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
- wages, salaries and allowances	359,819	343,783
- superannuation costs	27,879	21,089
- other costs	9,290	9,823
	<u>396,988</u>	<u>374,695</u>
Depreciation		
<i>Depreciation</i>		
- leasehold improvements	12,056	30,300
- furniture and fittings	584	644
- motor vehicles	-	12,620
- right of use property asset	48,711	54,431
	<u>61,351</u>	<u>97,995</u>
Finance costs		
- interest paid	6,622	2,858
Auditor's remuneration		
<i>Remuneration of the Auditor for:</i>		
- audit or review of the financial report	6,575	5,687
	<u>6,575</u>	<u>5,687</u>

4. Income tax

The income tax expense for the year comprises current income tax expense and deferred income tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured as the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred income tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Daylesford District Community Developments Limited

ABN 72 149 942 067

Notes to the Financial Statements
for the year ended 30 June 2022

4. Income tax (continued)

	2022 \$	2021 \$
a. The components of tax expense / (income) comprise:		
Current tax expense / (income)	22,887	30,505
Deferred tax expense / (income) relating to temporary differences	(3,799)	5,907
Recoupment of prior year tax losses	-	-
	19,088	36,412
b. Prima facie tax payable		
The prima facie tax on profit / (loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit / (loss) before income tax at 25% (2021: 26%)	19,070	37,041
Add tax effect of:		
- Non-deductible expenses	3,817	221
- Non-assessable income	-	(6,757)
Income tax attributable to the Company	22,887	30,505
The applicable weighted average effective tax rate is	30.00%	25.56%
c. Current tax liability		
Current tax relates to the following:		
<i>Current tax liabilities / (assets)</i>		
Opening balance	30,505	5,334
Income tax paid	(63,799)	(5,334)
Current tax	22,887	30,505
	(10,407)	30,505
d. Deferred tax asset / (liability)		
Deferred tax relates to the following:		
<i>Deferred tax assets balance comprises:</i>		
Franchise fee	-	-
Accruals	2,733	9,365
Employee provisions	13,957	3,526
Net deferred tax asset / (liability)	16,690	12,891
Total carried forward tax losses not recognised as deferred tax assets	-	-
e. Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets	(3,799)	5,907
	(3,799)	5,907

Daylesford District Community Developments Limited
ABN 72 149 942 067
Notes to the Financial Statements
for the year ended 30 June 2022

5. Cash and cash equivalents

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, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the Statement of Financial Position.

	2022	2021
	\$	\$
Cash at bank and on hand	246,921	364,694
	<u>246,921</u>	<u>364,694</u>

6. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for doubtful debts. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. An allowance for expected credit losses is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in profit or loss.

	2022	2021
	\$	\$
Current		
Trade receivables	84,872	77,319
Sundry debtors	-	1,285
	<u>84,872</u>	<u>78,604</u>

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the Company's income.

A secondary credit risk relates to the Company's liability for a loan default where subsequent investigations reveals staff did not follow correct lending procedures.

The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

Notes to the Financial Statements
for the year ended 30 June 2022

6. Trade and other receivables (continued)

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

	Gross amount	Not past due	Past due but not impaired			Past due and impaired
	\$	\$	< 30 days \$	31-60 days \$	> 60 days \$	\$
2022						
Trade receivables	84,872	84,872	-	-	-	-
Sundry debtors	-	-				
Total	84,872	84,872	-	-	-	-
2021						
Trade receivables	77,319	77,319	-	-	-	-
Sundry debtors	1,285	1,285				
Total	78,604	78,604	-	-	-	-

7. Financial assets

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Classification

On initial recognition, the Company classifies its financial assets as being measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Daylesford District Community Developments Limited
ABN 72 149 942 067
Notes to the Financial Statements
for the year ended 30 June 2022

7. Financial assets (continued)

	2022	2021
	\$	\$
<i>Financial assets - at amortised cost</i>		
Pimco Australia Funds	22,210	-
Pendal Dynamic Income Fund	23,618	24,435
	<u>45,828</u>	<u>24,435</u>

8. Prepayments

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

	2022	2021
	\$	\$
Prepayments	28,890	32,795
	<u>28,890</u>	<u>32,795</u>

9. Property, plant and equipment

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Daylesford District Community Developments Limited
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Notes to the Financial Statements
for the year ended 30 June 2022

9. Property, plant and equipment (continued)

	2022 \$	2021 \$
<i>Leasehold improvements</i>		
At cost	192,313	192,313
Less accumulated depreciation	<u>(192,313)</u>	<u>(180,257)</u>
	-	12,056
<i>Furniture & fittings</i>		
At cost	18,094	18,094
Less accumulated depreciation	<u>(17,175)</u>	<u>(16,591)</u>
	919	1,503
<i>Motor vehicles</i>		
At cost	-	-
Less accumulated depreciation	<u>-</u>	<u>-</u>
	-	-
Total property, plant and equipment	<u>919</u>	<u>13,559</u>

Movements in carrying amounts

	2022 \$	2021 \$
<i>Leasehold improvements</i>		
Balance at the beginning of the reporting period	12,056	42,356
Depreciation expense	<u>(12,056)</u>	<u>(30,300)</u>
Balance at the end of the reporting period	-	12,056
<i>Furniture & fittings</i>		
Balance at the beginning of the reporting period	1,503	1,421
Additions	-	726
Depreciation expense	<u>(584)</u>	<u>(644)</u>
Balance at the end of the reporting period	919	1,503
<i>Motor vehicles</i>		
Balance at the beginning of the reporting period	-	51,757
Disposals	-	(39,137)
Depreciation expense	<u>-</u>	<u>(12,620)</u>
Balance at the end of the reporting period	-	-
Total property, plant and equipment		
Balance at the beginning of the reporting period	13,559	95,534
Additions	-	726
Disposals	-	(39,137)
Depreciation expense	<u>(12,640)</u>	<u>(43,564)</u>
Balance at the end of the reporting period	<u>919</u>	<u>13,559</u>

Daylesford District Community Developments Limited
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Notes to the Financial Statements
for the year ended 30 June 2022

10. Right of use assets	2022	2021
	\$	\$
<i>Building premises</i>		
At cost	250,721	128,911
Less accumulated depreciation	<u>(25,072)</u>	<u>(106,232)</u>
	<u>225,649</u>	<u>22,679</u>
 Movements in carrying amounts		
<i>Building premises</i>		
Balance at the beginning of the reporting period	22,679	60,779
Revaluation	251,681	16,331
Depreciation expense	<u>(48,711)</u>	<u>(54,431)</u>
Balance at the end of the reporting period	<u>225,649</u>	<u>22,679</u>

Daylesford District Community Developments Limited
ABN 72 149 942 067
Notes to the Financial Statements
for the year ended 30 June 2022

11. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Company 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.

	2022	2021
	\$	\$
Current		
<i>Unsecured liabilities:</i>		
Trade creditors	45,309	94,690
Other creditors and accruals	24,567	25,666
	<u>69,876</u>	<u>120,356</u>

The average credit period on trade and other payables is one month.

12. Lease liabilities

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

	2022	2021
	\$	\$
Current		
Lease liability - building premises	<u>43,358</u>	<u>23,533</u>
Non-current		
Lease liability - building premises	<u>182,623</u>	<u>-</u>
Total Lease Liabilities	<u>225,981</u>	<u>23,533</u>

13. Provisions

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

13. Provisions (continued)*Other long-term employee benefits*

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its Statement of Financial Position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

	2022 \$	2021 \$
Current		
Employee benefits	<u>50,526</u>	<u>33,137</u>
Non-current		
Employee benefits	<u>5,232</u>	<u>2,884</u>
Total provisions	<u><u>55,758</u></u>	<u><u>36,021</u></u>

14. Share capital

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.

	2022 \$	2021 \$
Movements in share capital		
600,008 Ordinary shares fully paid	600,008	600,008
Less: Equity raising costs	(24,488)	(24,488)
Less: Return of capital	<u>(120,001)</u>	<u>(84,001)</u>
	<u><u>455,519</u></u>	<u><u>491,519</u></u>

Fully paid ordinary shares:

At the beginning of the reporting period	600,008	600,008
Shares issued during the year	<u>-</u>	<u>-</u>
At the end of the reporting period	<u><u>600,008</u></u>	<u><u>600,008</u></u>

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.

Daylesford District Community Developments Limited
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Notes to the Financial Statements
for the year ended 30 June 2022

15. 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 monitors the return on capital and the level of dividends 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, which is the greater of;

- (a) 20% of the profit before sponsorships, donations and tax 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, which is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%, multiplied by the average level of share capital of the Company over that 12 month period.

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 can be seen in the Statement of Profit or Loss and Comprehensive Income.

There were no changes in the Company's approach to capital management during the year.

16. Retained earnings / (Accumulated losses)

	2022	2021
	\$	\$
Balance at the beginning of the reporting period	(152,277)	(209,764)
Comprehensive income for the year	53,320	105,488
Dividends paid	(48,001)	(48,001)
Balance at the end of the reporting period	<u>(146,958)</u>	<u>(152,277)</u>

17. Dividends paid or provided for on ordinary shares

Dividends paid or provided for during the year

Fully franked ordinary dividends totalling 8 cents per share (2021: partially franked 8 cents per share).	48,001	48,001
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A provision is made for the amount of any dividends declared, authorised and no longer payable at the discretion of the Company on or before the end of the financial year, but not distributed at balance date.

18. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issues during the year.

	2022	2021
	\$	\$
Basic earnings per share (cents)	8.89	17.58
Earnings used in calculating basic earnings per share	53,320	105,488
Weighted average number of ordinary shares used in calculating basic earnings per share.	600,008	600,008

Daylesford District Community Developments Limited

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**Notes to the Financial Statements
for the year ended 30 June 2022**

19. Statement of cash flows

	2022	2021
	\$	\$
(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to that shown in the Statement of Cash Flows as follows:		
Cash and cash equivalents (Note 5)	246,921	364,694
As per the Statement of Cash Flow	<u>246,921</u>	<u>364,694</u>
 (b) Reconciliation of cash flow from operations with profit after income tax		
Profit / (loss) after income tax	53,320	106,053
Non-cash flows in profit		
- Depreciation	61,351	43,564
- Amortisation	-	54,431
- Profit / (loss) on sale of assets	-	(7,227)
- Other Non-Cash Items	-	(2,105)
- (Gain) / loss on the revaluation of equity instruments at fair value	3,872	564
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(6,268)	18,153
- (Increase) / decrease in prepayments and other assets	3,905	(1,121)
- (Increase) / decrease in deferred tax asset	(3,799)	5,826
- Increase / (decrease) in current tax liability	(40,912)	25,171
- Increase / (decrease) in trade and other payables	(50,480)	72,950
- Increase / (decrease) in provisions	19,737	(5,306)
Net cash flows from / (used in) operating activities	<u>40,726</u>	<u>310,953</u>

(c) Credit standby arrangement and loan facilities

There were none.

20. Key management personnel and related party disclosures

(a) Key management personnel

Any person(s) having authority or responsibility for planning, directing or controlling the activities of the Company, directly or indirectly including any Director (whether executive or otherwise) of that Company is considered key management personnel. In the opinion of the Board, the only key management personnel of the Company are the Directors.

(b) 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.

(c) Transactions with key management personnel and related parties

No key management personnel or related party has entered into any contracts with the Company. No Director fees have been paid as the positions are held on a voluntary basis.

Daylesford District Community Developments Limited

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**Notes to the Financial Statements
for the year ended 30 June 2022**

(d) Key management personnel shareholdings

The number of ordinary shares in Daylesford District Community Developments Limited held by Directors and each key management personnel of the Company, either directly or indirectly, during the financial year is as follows:

	2022	2021
Marek Julius Rak	23,001	23,001
Jeff Bain	2,953	2,953
Peter John Benedict Duncan	10,000	10,000
Marianne Dunham	-	-
Arthur James Foster	1,000	1,000
Philip Roy Gay	2,500	2,500
Margaret Catherine Hodge	500	500
Joan Mary Janssen	500	500
Catherine Redwood	500	500
Carol Louise Ross	500	500
Trevor James Shard	2,000	2,000
Victor Szwed	5,000	5,000
	<u>48,454</u>	<u>48,454</u>

(e) Other key management transactions

There have been no other transactions involving equity instruments other than those described above.

21. Events after the reporting period

The Company has agreed to purchase a commercial property for the purposes of Board office accommodation and a community hub. the purchase will be funded by debt and equity. The precise ownership structure is yet to be determined.

Other than the matter disclosed here no other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the company's state of affairs in future financial years.

22. Contingent liabilities and contingent assets

There were no contingent liabilities or assets at the date of this Report to affect the Financial Statements.

23. Operating segments

The Company operates in the financial services sector where it provides banking services to its clients. The Company operates in one area being Daylesford and surrounding district, in the State of Victoria. The Company has a franchise agreement in place with Bendigo and Adelaide Bank Limited which accounts for 100% of the Company's revenue (2021: 100%).

24. Company details

The registered office and principal place of business is: Shop 3, 97 Vincent Street, Daylesford, Victoria, 3460.

25. Financial risk management*Financial risk management policies*

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established a Risk Committee which reports regularly to the Board. The Board and Risk Committee are assisted in the area of risk management by an internal audit function conducted by franchise partner Bendigo & Adelaide Bank Limited.

Specific financial risk exposure and management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantial changes in the types of risks the Company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

The Company's financial instruments consist mainly of deposits with banks, short term investments, account receivables and payables, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 139 Financial Instruments: Recognition and Measurement as detailed in the accounting policies are as follows:

	Note	2022 \$	2021 \$
Financial assets			
Cash and cash equivalents	5	246,921	364,694
Trade and other receivables	6	84,872	78,604
Financial assets	7	45,828	24,435
Total financial assets		377,621	467,733
Financial liabilities			
Trade and other payables	11	69,876	120,356
Lease liabilities	12	225,981	23,533
Total financial liabilities		295,857	143,889

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the table above.

The Company has significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The Company's exposure to credit risk is limited to Australia by geographic area.

Daylesford District Community Developments Limited
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Notes to the Financial Statements
for the year ended 30 June 2022

25. Financial risk management (continued)

(a) Credit risk (continued)

None of the assets of the Company are past due (2021: nil past due) and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.

The Company limits its exposure to credit risk by only investing in liquid securities and therefore credit risk is considered minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions.

Liquidity management is carried out within the guidelines set by the Board.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. The Bank overdraft facility is subject to annual review, may be drawn at any time, and may be terminated by the Bank without notice. Therefore the balance of the overdraft facility outstanding at year end could become repayable within 12 months.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis:

30 June 2022	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial assets				
Cash and cash equivalents	246,921	246,921	-	-
Trade and other receivables	84,872	84,872	-	-
Financial assets	45,828	45,828	-	-
Total anticipated inflows	377,621	377,621	-	-
Financial liabilities				
Trade and other payables	69,876	69,876	-	-
Lease liabilities	225,981	43,358	182,623	-
Total expected outflows	295,857	113,234	182,623	-
Net inflow / (outflow) on financial instruments	81,764	264,387	(182,623)	-
30 June 2021	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
Financial assets				
Cash and cash equivalents	364,694	364,694	-	-
Trade and other receivables	78,604	78,604	-	-
Financial assets	24,435	24,435	-	-
Total anticipated inflows	467,733	467,733	-	-

Daylesford District Community Developments Limited

ABN 72 149 942 067

**Notes to the Financial Statements
for the year ended 30 June 2022**

25. Financial risk management (continued)

(b) Liquidity risk (continued)

Financial liabilities

Trade and other payables	120,356	120,356	-	-
Lease liabilities	23,533	23,533	-	-
Total expected outflows	143,889	143,889	-	-
Net inflow / (outflow) on financial instruments	323,844	323,844	-	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Company to interest rate risk are borrowings, fixed interest securities, and cash and cash equivalents.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 30 June 2022		
+/- 1% in interest rates (interest income)	2,927	2,927
+/- 1% in interest rates (interest expense)	(2,260)	(2,260)
	667	668
Year ended 30 June 2021		
+/- 1% in interest rates (interest income)	3,891	3,891
+/- 1% in interest rates (interest expense)	(235)	(235)
	3,656	3,656

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

The Company has no exposure to fluctuations in foreign currency.

(d) Price risk

The Company is not exposed to any material price risk.

Daylesford District Community Developments Limited
ABN 72 149 942 067
Directors' Declaration

In accordance with a resolution of the Directors of Daylesford District Community Developments Limited, the Directors of the Company declare that:

1. The Financial Statements and Notes as set out on pages 8 to 31 are in accordance with the *Corporations Act 2001* and:
 - (i) comply with Australian Accounting Standards which, as stated in accounting policy Note 1(a) to the Financial Statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the Company's financial position as at 30 June 2022 and of the performance for the year ended on that date;
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Marek Rak
Chair



Philip Gay
Director

Signed at Daylesford on 13 January 2023.

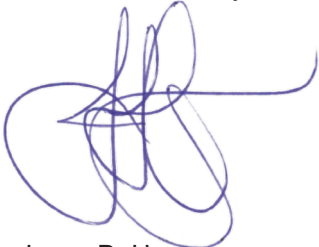
Daylesford District Community Developments Limited

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Board of Daylesford District Community Developments Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to read "J. Hargreaves", with a large, stylized flourish at the end.

Jason D. Hargreaves
Director

180 Eleanor Drive, Lucas

12th January 2023

Independent Auditor's Report

To the Directors of Daylesford District Community Developments Ltd

Opinion

We have audited the financial report of Daylesford District Community Developments Ltd (the Company), which comprises the statement of financial position as at 30 June 2022, 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, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the Directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the 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 the Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the 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 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 the financial report.

Independent Auditor's Report

To the Directors of Daylesford District Community Developments Ltd

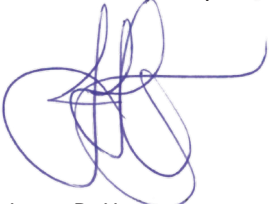
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to read "J. Hargreaves", is written over a circular blue stamp.

Jason D. Hargreaves
Director

Signed at Lucas
16th January 2023

Notes

Notes

Notes

Community Bank · Daylesford District
97 Vincent Street,
Daylesford VIC 3460
Phone: 5348 4186 Fax: 5348 1225
Email: daylesfordmailbox@bendigoadelaide.com.au
Web: www.bendigobank.com.au/daylesford

Franchisee: Daylesford District Community Developments Limited
ABN: 72 149 942 067
PO Box 571
Daylesford VIC 3460
Phone: 5348 4186 Fax: 5348 1225
Email: companysecretary@ddcdl.com

Share Registry:
Castle Corporate Pty Ltd
Suite 2, Ground Floor
651 Doncaster Road
Doncaster VIC 3108
Email: castle@castlecorp.com.au



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