Daylesford District Community Developments Limited

ABN: 72 149 942 067

Financial Report – For the Year Ended 30 June 2025

Daylesford District Community Developments Limited
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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 2025.

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, resigned 30 September 2024)	
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 Co Chair Chair, Recruitment & Remuneration Committee; Ex officio Member of all Board Sub-committees

Philip Roy Gay (appointed 16 April 2012, re-elected 24 January 2023)	
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; Former Chief Financial Officer & Operating Group Managing Director of Pacific Dunlop Ltd.
Other current directorships	Nil
Former directorships in last 3 years	Formerly Chair of RG Withers Group Family Office
Special responsibilities	Board Co Chair Ex officio Member of all Board Sub-committees

Margaret Catherine Hodge (appointed 27 November 2018, re-elected 24 January 2023)	
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, Finance, Audit & Risk Committee

Joan Mary Janssen (appointed 19 November 2013, re-elected 28 November 2023)	
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 & Risk Committee; Member, Community Investment 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

James Arthur Foster (appointed 4 November 2020, elected 28 November 2023)	
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. Founder of recycling company Associated Metals Pty Ltd sold to Smorgon Steel in 1995. Founder of recycling company Commercial Metals Pty Ltd sold to private equity in 2007. 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

Peter Douglas (elected 23 November 2021, resigned 26 September 2024)	

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	Member, Community Investment Committee

Phillip Lavelle (appointed 24 January 2023)	
Qualifications and experience	Grad Dip Government Administration. Phil had a 40 year career with the Royal Australian Air Force, where he achieved the rank of Group Captain. His final role was Chief of Staff (second in command) of the Air Force Training Group.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Board Co Chair Ex officio Member of all Board Sub-committees

Shanthi Kumar (appointed 6 May 2024, elected 26 November 2024)	
Qualifications and experience	Shanthi is a senior taxation and finance executive with financial, tax and capital management skills. He has over 35 years' experience in various senior roles, most recently with Carlton & United Breweries and with Rio Tinto before that.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Chair, Finance Audit & Risk Committee

Vic Delosa (appointed 25 June 2024, elected 26 November 2024, resigned 20 December 2024**)**	
Qualifications and experience	B Eng. (Civil) Vic has extensive experience in the domestic and offshore oil and gas industry. He was a senior executive with Transurban for 10 years and more recently a consultant to the Victorian State Government.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Vic attended each of the sub-committees as an observer

Karen McAloon (appointed 28 January 2025**)**	

Qualifications and experience	Karen is a business owner/manager of a manufacturing, art, retail, tourism and hospitality enterprise. She previously worked in the disability sector as a project officer, advocate and trainer.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Member, Community Investment Committee Co-ordinator - Marketing

Michael Sneddon (appointed 6 February 2025**)**	
Qualifications and experience	L.L.B. B.Comm. Michael is a highly experienced lawyer practising as a leading commercial legal practitioner with both extensive inhouse and external law firm experience. Michael's expertise has been gained in private legal practice (including Special Counsel and Partner roles), for over eleven years as General Counsel of an ASX listed company, Oakton Limited (now part of NTT) and, since 2017 as Principal of Acumen Legal.
Other current directorships	Di Ficare Pty Ltd, Eris Technology Pty Ltd, Mypangu Pty Ltd
Former directorships in last 3 years	Aggne Global Australia Pty Ltd, Hepburn Community Wind Park Co-operative Limited
Special responsibilities	Member, Finance Audit & Risk Committee

John Cottrell (appointed 24 June 2025**)**	
Qualifications and experience	MSc, Grad Dip HE Learning and Teaching, CERT IV Assessment and Training, Graduate Governance Institute of Australia, Graduate Australian Institute of Directors. John has a background in the investment industry, having worked in sharebroking and banking. He has served on Hepburn Shire Council and as a board member of Daylesford Hospital.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Member, Finance Audit & Risk Committee

Ruby Glew (appointed 25 November 2024, resigned 6 January 2025)	
Qualifications and experience	B Bus. Dip Ed. (Primary) Ruby has worked in the retail, education and IT sectors.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Nil

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		Finance Audit & Risk Committee Meetings [1]	
Director	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**		
Marek Julius Rak *	1	1	-	-	2	2	-	-	-	-
Philip Roy Gay*	7	7	1	1	-	-	1	1	4	3
Margaret Catherine Hodge	7	7	-	-	7	7	1	1	4	3
Joan Mary Janssen	7	7	1	1	7	6	-	-	4	3
Carol Louise Ross	7	6	-	-	7	4	-	-	-	-
Arthur James Foster	7	4	-	-	7	4	1	1	-	-
Peter Douglas	1	0	-	-	2	0	-	-	-	-
Phillip Lavelle*	7	4	-	-	7	3	1	1	4	1
Shanthi Kumar	7	7	1	1	-	-	-	-	4	4
Karen McAloon	3	3	-	-	2	2	-	-		
Michael Sneddon	3	3	-	-	-	-	-	-	2	2
Vic Delosa	3	3	-	-	2	1	-	-	-	-
Johnn Cottrell	1	1	-	-	-	-	-	-	-	-
Ruby Glew	-	-	-	-	-	-	-	-	-	-

A - The number of meetings eligible to attend.

B - The number of meetings attended.

** - The Board Co Chairs are entitled to attend all Committees ex officio*

1. The Finance & Audit and Risk Management Committees were merged from 1 January 2025.

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 providing Community Bank branch services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

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

Review of operations

Profit after tax for the financial year was $49,569, (2024: $121,834). Operating profit before tax, sponsorships and donations was $166,170, (2024: $189,348).

Revenue of $963,287 was 3% lower than 2024 ($993,909) due to greater industry competition for deposits and loans, which led to tighter margins.

Sponsorships and charitable donations were $100,252, (2024: $26,513) and included a $25,000 contribution to the Bendigo and Adelaide Bank Community Enterprise Foundation. There was no comparative contribution to the Foundation in 2024.

Employment expenses of $524,864 were 10% higher than 2024 ($478,913). Contributing factors to the increase year on year were a general 3.5% salaries increase and increase in the Superannuation Guarantee Levy from 11% to 11.5%.

Cash from operating activities was $131,660, $78,259 higher than the previous year, which was $53,401. The previous year included a payment of $125,000 to the Bendigo Community Enterprise Foundation, which although paid in 2024, was expensed in 2023. There was no comparative payment to the Foundation in the 2025 year.

Purchase of property plant and equipment in 2025 was $25,192, which included a major upgrade to the kitchen facilities at the Company owned property at 113 Main Road, Hepburn Springs.

The Company's franchise agreement with Bendigo and Adelaide Bank Limited extends to April 2027 and may be renewed for a further 5 years to 2032 at the Company's request. The Company is negotiating an extension of the branch premises lease to at least December 2031.

The outlook for 2026 is for falling interest rates and continued industry competition for deposits and loans. The Board currently expects this will result in similar margins and revenue to 2025. The Board maintains a close focus on controlling expenses, notwithstanding salaries increases which are locked in under the Community Bank Co-operative Workplace Agreement. The Company is on a firm financial footing and expects to be able to continue to fund community investments, albeit at a lower level than 2025 and provide returns to shareholders.

Dividends

A fully franked dividend of 4 cents per share has been provided for in the 2025 financial year, payable in October 2025. (2024: fully franked interim dividend of 8 cents per share paid in October 2024) The 2025 dividend has been reduced to ensure the Company is able to maintain a strong level of community investments.

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

There were no significant events subsequent to the end of the reporting period.

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.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 pf 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 part 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 9 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

Philip Gay

Co-chair

Joan Janssen

Director

Dated: 24 September 2025

Daylesford District Community Developments Ltd

Auditor Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Daylesford District Community Developments Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2025 there have been:

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

CountPro Audit Pty Ltd

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CountPro Audit Pty Ltd

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Jason Hargreaves
Director

180 Eleanor Drive, Lucas
8 September 2025

180 Eleanor Drive, Lucas, VIC 3350 ▸ PO Box 4259, Lucas, VIC 3350 ▸ Phone (03) 5331 2333 ▸ www.countpro.com.au

Liability limited by a scheme approved under Professional Standards Legislation

Daylesford District Community Developments Limited
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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025 $	2024 $
Revenue	2	**963,287**	993,909
Expenses			
Employee benefits expense	3	**524,864**	478,913
Depreciation	3	**55,133**	53,696
Administration and general costs		**73,750**	141,144
Finance costs	3	**24,414**	27,574
Other occupancy expense		**58,596**	50,440
IT costs		**32,358**	27,989
Advertising and marketing		**10,070**	7,939
ATM costs		**8,273**	9,294
Board expenses		**9,659**	7,572
		797,117	804,561
Operating profit before charitable donation and sponsorships		**166,170**	189,348
Charitable donations and sponsorships		**100,252**	26,513
Profit before income tax		**65,918**	162,835
Income tax expense	4	**16,349**	41,001
Profit for the year		**49,569**	121,834
Other comprehensive income			
Gain on the revaluation of equity instruments at fair value		**217**	379
Total comprehensive income for the year		**49,786**	122,213
Profit attributable to members of the Company		**49,569**	121,834
Total comprehensive income attributable to members of the Company		**49,786**	122,213
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company (cents per share):			
- basic earnings per share	21	**8.30**	20.37

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Daylesford District Community Developments Limited
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Statement of Financial Position

As at 30 June 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	5	**245,571**	261,013
Trade and other receivables	6	**82,445**	102,151
Financial assets	7	**15,076**	14,249
Other assets	8	**638**	888
Prepayments	9	**29,778**	29,813
Total current assets		**373,508**	408,114
Non-current assets			
Property, plant and equipment	10	**794,725**	774,522
Deferred tax assets	4	**51,280**	62,243
Right of use assets	11	**75,217**	125,361
Total non-current assets		**921,222**	962,126
Total assets		**1,294,730**	1,370,240
Liabilities			
Current liabilities			
Borrowings	15	**17,557**	31,503
Current tax liabilities	4	**866**	30,779
Trade and other payables	12	**167,186**	162,315
Lease liabilities	13	**57,949**	52,914
Provisions	14	**37,107**	31,517
Total current liabilities		**280,665**	309,028
Non-current liabilities			
Borrowings	15	**414,218**	420,656
Deferred tax liabilities	4	**21,448**	31,340
Lease liabilities	13	**23,549**	81,499
Provisions	14	**7,492**	6,145
Total non-current liabilities		**466,707**	539,640
Total liabilities		**747,372**	848,668
Net assets		**547,358**	521,572
Equity			
Issued capital	16	**455,519**	455,519
Retained earnings / (Accumulated losses)	18	**91,839**	66,053
Total equity		**547,358**	521,572

The above statement of financial position should be read in conjunction with the accompanying notes.

Daylesford District Community Developments Limited
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Statement of Changes in Equity

For the year ended 30 June 2025

	Note	Issued Capital $	Retained earnings $	Total equity $
Balance at 1 July 2023		455,519	(9,939)	445,580
Profit for the year		-	121,834	121,834
Other comprehensive income for the year		-	379	379
Total comprehensive income for the year		-	122,213	122,213
Transactions with owners, in their capacity as owners:				
Dividends paid or provided	20	-	(48,001)	(48,001)
Reinstatement of balances due to change in accounting standard	19	-	1,780	1,780
Balance at 30 June 2024		455,519	66,053	521,572
Balance at 1 July 2024		**455,519**	**66,053**	**521,572**
Profit for the year		**-**	**49,569**	**49,569**
Other comprehensive income for the year		**-**	**217**	**217**
Total comprehensive income for the year		**-**	**49,786**	**49,786**
Transactions with owners, in their capacity as owners:				
Dividends paid or provided	20	**-**	**(24,000)**	**(24,000)**
Reinstatement of balances due to change in accounting standard	19	**-**	**-**	**-**
Balance at 30 June 2025		**455,519**	**91,839**	**547,358**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Daylesford District Community Developments Limited
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Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers		**983,460**	998,961
Payments to suppliers and employees		**(782,195)**	(841,854)
Interest paid		**(24,414)**	(27,574)
Income tax paid		**(45,191)**	(76,132)
Net cash provided by operating activities	22b	**131,660**	53,401
Cash flows from investing activities			
Purchase of property, plant, and equipment		**(25,192)**	(4,787)
Purchase of investments		**(610)**	(253)
Net cash flows used in investing activities		**(25,802)**	(5,040)
Cash flows from financing activities			
Proceeds from borrowings		**-**	405,000
Repayment of borrowings		**(20,384)**	(179,337)
Repayment of lease liabilities		**(52,915)**	(48,210)
Dividends paid		**(48,001)**	(36,000)
Net cash provided by / (used in) financing activities		**(121,300)**	141,453
Net increase / (decrease) in cash and cash equivalents		**(15,442)**	189,814
Cash and cash equivalents at the beginning of the financial year		**261,013**	71,199
Cash and cash equivalents at the end of the financial year	22a	**245,571**	261,013

The above statement of cash flows should be read in conjunction with the accompanying notes.

Daylesford District Community Developments Limited
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Notes to the Financial Statements

For the year ended 30 June 2025

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.

These Financial Statements were authorised for issue by the Directors on 9 September 2025.

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 (IASB). The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these Financial Statements are presented below and have been consistently applied unless stated otherwise.

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

Economic dependency

The Company operates as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank", the logo, and systems of operations 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 or its wholly owned subsidiaries, and all credit products are products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in maintaining the Company'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.

1. Summary of significant accounting policies (continued)

(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 30 June 2025.

(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.

(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.

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 Company 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.

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 revenue 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.

	2025 $	2024 $
Revenue		
- service commissions, upfront and trailing commissions, sales fees and margin fees	**963,287**	993,909
	963,287	993,909

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:

Class of asset	*Rate*	*Method*
Leasehold improvements	15.75%	Straight Line
Plant and equipment	2.5-40%	Diminishing Value
Property and improvements	2.5%	Straight Line

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.

	2025 $	2024 $
Profit before income tax includes the following specific expenses		
Employee benefits expense		
- wages, salaries, and allowances	**464,137**	414,662
- superannuation costs	**51,480**	48,908
- other costs	**9,247**	15,343
	524,864	478,913
Depreciation		
Depreciation		
- improvements at cost	**653**	360
- plant and equipment	**1,244**	100
- right of use property asset	**50,144**	50,144
- capital works deduction	**3,092**	3,092
	55,133	53,696
Finance costs		
- interest paid	**24,414**	27,574
Auditor's remuneration		
Remuneration of the Auditor, CountPro Audit Pty Ltd, for:		
- audit or review of the financial report	**8,000**	8,000
	8,000	8,000

4. Income tax

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

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 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 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.

4. Income tax (continued)

	2025 $	2024 $
a. The components of current tax comprise:		
Current tax expense	**16,349**	41,001
Deferred tax relating to temporary differences	**(1,071)**	7,973
Total current tax	**15,278**	48,974
b. Prima facie tax payable		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit before income tax at 25%	**16,533**	40,803
Add tax effect of:		
- Non-assessable income and non-deductible expenses	**(184)**	198
Income tax attributable to the Company	**16,349**	41,001
The applicable weighted average effective tax rate is	**24.80%**	25.18%
c. Current tax liability		
Current tax relates to the following:		
Current tax liabilities / (assets)		
Opening balance	**30,779**	57,937
Income tax paid	**(45,191)**	(76,132)
Current tax	**15,278**	48,974
	866	30,779
d. Deferred tax asset / (liability)		
Deferred tax relates to the following:		
Deferred tax assets balance comprises:		
Accruals	**7,255**	6,724
Employee provisions	**11,150**	9,416
Insurance excess provision	**12,500**	12,500
Lease liability	**20,375**	33,603
	51,280	62,243
Deferred tax liability balance comprises:		
Right of use assets	**(18,804)**	(31,340)
Depreciation	**(2,644)**	-
	(21,448)	(31,340)
Net deferred tax asset / (liability)	**29,832**	30,903
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 asset/ (liability)	**1,071**	(7,973)
	1,071	(7,973)

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.

	2025	2024
	$	$
Cash at bank and on hand	**245,571**	261,013
	245,571	261,013

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.

Current		
Trade receivables	**82,445**	88,151
Sundry debtors	**-**	14,000
	82,445	102,151

Credit risk

The sources of credit risks include:

a) Concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the Company's income.
b) The Company's liability for a loan default where subsequent investigations reveal 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.

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	
2025	**$**	**$**	**$**	**$**	**$**	**$**
Trade receivables	**82,445**	**82,445**	**-**	**-**	**-**	**-**
Sundry debtors	**-**	**-**	**-**	**-**	**-**	**-**
Total	**82,445**	**82,445**	**-**	**-**	**-**	**-**
2024						
Trade receivables	88,151	88,151	-	-	-	-
Sundry debtors	14,000	14,000	-	-	-	-
						-
Total	102,151	102,151	-	-	-	-

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 into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income (FVOCI)

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 recognized in profit or loss. Gain or loss on derecognition is recognised in profit and loss.

7. Financial assets (continued)

Fair value through other comprehensive income
The Company has an investment in a listed entity over which are they do not have significant influence or control. The Company has made an irrevocable election to classify the equity investments as fair value through other comprehensive income as they are not held for trading purposes.

This investment is carried at fair value with changes in fair value recognised in other comprehensive income. On disposal any balance in the financial asset reserve is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income.

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.

	2025 $	2024 $
Financial assets – at amortised cost		
Pimco Global Bond Fund	**13,393**	12,657
Pendal Dynamic Income Fund	**1,683**	1,592
	15,076	14,249

8. Other assets

Establishment costs		
Initial cost	**1,250**	1,250
Less amortisation	**(612)**	(362)
	638	888

9. 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.

Prepayments	**29,778**	29,813
	29,778	29,813

10. Property, plant and equipment

Property, 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.

The property is stated at historical cost less accumulated depreciation.

	2025	**2024**
	$	**$**
Leasehold improvements		
At cost	**192,313**	192,313
Less accumulated depreciation	**(192,313)**	(192,313)
	-	-
Plant and equipment		
At cost	**20,619**	8,860
Less accumulated depreciation	**(9,932)**	(8,689)
	10,687	171
Improvements		
At cost	**28,117**	14,685
Less accumulated depreciation	**(2,839)**	(2,186)
	25,278	12,499
Land and buildings		
At cost	**766,334**	766,334
Less capital works deduction	**(7,574)**	(4,482)
	758,760	761,852
Total property, plant, and equipment	**794,725**	774,522

Movements in carrying amounts

Plant & equipment		
Balance at the beginning of the reporting period	**171**	271
Additions	**11,760**	-
Depreciation expense	**(1,244)**	(100)
Balance at the end of the reporting period	**10,687**	171

10. Property, plant and equipment (continued)

	2025 $	2024 $
Improvements at cost		
Balance at the beginning of the reporting period	**12,499**	8,072
Additions	**13,432**	4,787
Depreciation expense	**(653)**	(360)
Balance at the end of the reporting period	**25,278**	12,499
Land and buildings		
Balance at the beginning of the reporting period	**761,852**	764,944
Capital works deduction (on building)	**(3,092)**	(3,092)
Balance at the end of the reporting period	**758,760**	761,852
Total property, plant, and equipment		
Balance at the beginning of the reporting period	**774,522**	773,287
Additions	**25,192**	4,787
Depreciation expense and capital works deduction	**(4,989)**	(3,552)
Balance at the end of the reporting period	**794,725**	774,522

11. Right of use assets

Building premises		
At cost	**250,721**	250,721
Less accumulated depreciation	**(175,504)**	(125,360)
	75,217	125,361
Movements in carrying amounts		
Building premises		
Balance at the beginning of the reporting period	**125,361**	175,505
Depreciation expense	**(50,144)**	(50,144)
Balance at the end of the reporting period	**75,217**	125,361

12. 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.

Current

Unsecured liabilities:		
Trade creditors	**45,168**	14,285
Other creditors and accruals	**98,018**	100,029
Dividend payable	**24,000**	48,001
	167,186	162,315

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

13. Lease liabilities

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

	2025 $	2024 $
Current		
Lease liability – building premises	**57,949**	52,914
Non-current		
Lease liability – building premises	**23,549**	81,499
Total Lease Liabilities	**81,498**	134,413

14. 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 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.

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.

Current		
Employee benefits	**37,107**	31,517
Non-current		
Employee benefits	**7,492**	6,145
Total provisions	**44,599**	37,662

15. Borrowings

Total secured liabilities
The total secured liabilities are as follows:

Current		
Bank loans – secured	**17,557**	31,503
	17,557	31,503
Non-current		
Bank loans – secured	**414,218**	420,656
	414,218	420,656

The bank loan is secured by a first mortgage against 113 Main Road, Hepburn Springs, Victoria.

16. 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.

	2025 $	2024 $
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	**(120,001)**	(120,001)
	455,519	455,519
Fully paid ordinary shares:		
At the beginning of the reporting period	**600,008**	600,008
At the end of the reporting period	**600,008**	600,008

Ordinary shares participate in dividends, return of capital 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.

17. 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.

18. Retained earnings / (Accumulated losses)

Balance at the beginning of the reporting period	**66,053**	(9,939)
Comprehensive income for the year	**49,786**	122,213
Dividends paid or provided	**(24,000)**	(48,001)
Reinstatement of balances due to change in accounting standard	**-**	1,780
Balance at the end of the reporting period	**91,839**	66,053

19. Restatement of balances from prior year

In preparing the 2024 financial statements a change in accounting standard was identified in relation to prior year balances. These amounts are in relation to the deferred tax on the lease liability and right of use asset.

20. Dividends paid or provided for on ordinary shares

	2025 $	2024 $
Dividends paid or provided for during the year		
Fully franked dividend of 4 cents per share (2024: fully franked dividend of 8 cents per share)	**24,000**	48,001
	24,000	48,001

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.

The ability to use franking credits is dependent upon the entity's future ability to declare dividends.

Franking account		
The franking credits available for subsequent financial years at a tax rate of 25% (2024: 25%)	**137,152**	107,961

21. 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 issued during the year.

Basic earnings per share (cents)	**8.30**	20.37
Earnings used in calculating basic earnings per share	**49,786**	122,213
Weighted average number of ordinary shares used in calculating basic earnings per share	**600,008**	600,008

22. Statement of cash flows

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)	**245,571**	261,013
As per the Statement of Cash Flow	**245,571**	261,013

22. Statement of cash flows (continued)

	2025 $	2024 $
b. Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	**49,569**	121,834
Non-cash flows in profit		
- Depreciation	**55,133**	53,696
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables, and other assets	**19,956**	5,052
- (Increase) / decrease in prepayments and other assets	**35**	658
- (Increase) / decrease in deferred tax asset	**10,963**	(41,093)
- Increase / (decrease) in deferred tax liability	**(9,892)**	31,340
- Increase / (decrease) in current tax liability	**(29,913)**	(27,158)
- Increase / (decrease) in trade and other payables	**28,872**	(61,650)
- Increase / (decrease) in provisions	**6,937**	(29,278)
Net cash flows from / (used in) operating activities	**131,660**	53,401

c. Credit standby arrangement and loan facilities

There were none.

23. 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
The Company's charitable donations and sponsorships for 2025 were $100,252. From time to time the Company sponsors organisations where a DDCDL director is a committee member or responsible person. In the 2025 year there were two sponsorship payments totalling $5,544 to organisations where a Director or a related party of a Director of the Company were committee members. In 2024 there was one sponsorship payment of $2,500 to an organisation of which a Director of the Company was a committee member.

23. Key management personnel and related party disclosures (continued)

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:

	2025	2024
Marek Julius Rak (resigned 30 September 2024)	**23,001**	23,001
Arthur James Foster	**6,000**	6,000
Philip Roy Gay	**2,500**	2,500
Margaret Catherine Hodge	**500**	500
Joan Mary Janssen	**500**	500
Carol Louise Ross	**500**	500
Phillip Lavelle	**-**	-
Peter Douglas (resigned 26 September 2024)	**-**	-
Shanthi Kumar (appointed 6 May 2024)	**-**	-
Vic Delosa (resigned 20 December 2024)	**-**	-
Ruby Glew (appointed 24 November 2024, resigned 9 January 2025)	**-**	-
Karen McAloon (appointed 28 January 2025)	**-**	-
Michael Sneddon (appointed 6 February 2025)	**-**	-
John Cottrell (appointed 24 June 2025)	**-**	-
	33,001	33,001

e. Other key management transactions

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

24. Events after the reporting period

No matter or circumstances have arisen since 30 June 2025 that have 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.

25. Contingent liabilities and contingent assets

In July 2024 the Company was notified by Bendigo and Adelaide Bank (BABL) of credit losses arising from a breach of lending procedures. The Company has provisioned $50,000 to reflect its contractual obligation to cover credit losses. The Company is in discussion with BABL about the credit losses and there is the potential for the Company's liability to exceed $50,000.

26. 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 (2024:100%)

27. Company details

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

28. 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	2025 $	2024 $
Financial assets			
Cash and cash equivalents	5	**245,571**	261,013
Trade and other receivables	6	**82,445**	102,151
Financial assets	7	**15,076**	14,249
Total financial assets		**343,092**	377,413
Financial liabilities			
Trade and other payables	12	**167,186**	162,315
Lease liabilities	13	**81,498**	134,413
Borrowings	15	**431,775**	452,159
Total financial liabilities		**680,459**	748,887

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 contract. For fees with longer settlement, 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.

None of the assets of the Company are past due (2024: 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 realization. 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 2025	**Total**	**Within 1 year**	**1 to 5 years**	**Over 5 years**
	$	**$**	**$**	**$**
Financial assets				
Cash and cash equivalents	**245,571**	**245,571**	**-**	**-**
Trade and other receivables	**82,445**	**82,445**	**-**	**-**
Financial assets	**15,076**	**15,076**	**-**	**-**
Total anticipated inflows	**343,092**	**343,092**	**-**	**-**
Financial liabilities				
Trade and other payables	**167,186**	**167,186**	**-**	**-**
Lease liabilities	**81,498**	**57,949**	**23,549**	**-**
Borrowings	**431,775**	**17,557**	**85,542**	**328,676**
Total expected outflows	**680,459**	**242,692**	**109,091**	**328,676**
Net inflow / (outflow) on financial instruments	**(337,367)**	**100,400**	**(109,091)**	**(328,676)**

30 June 2024	**Total**	**Within 1 year**	**1 to 5 years**	**Over 5 years**
	$	**$**	**$**	**$**
Financial assets				
Cash and cash equivalents	261,013	261,013	-	-
Trade and other receivables	102,151	102,151	-	-
Financial assets	14,249	14,249	-	-
Total anticipated inflows	377,413	377,413	-	-
Financial liabilities				
Trade and other payables	162,315	162,315	-	-
Lease liabilities	134,413	52,914	81,499	-
Borrowings	452,159	31,503	126,012	294,644
Total expected outflows	748,887	246,732	207,511	294,644
Net inflow / (outflow) on financial instruments	(371,474)	130,681	(207,511)	(294,644)

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 2025		
+/- 1% in interest rates (interest income)	**2,456**	**2,456**
+/- 1% in interest rates (interest expense)	**(815)**	**(815)**
	1,641	**1,641**
Year ended 30 June 2024		
+/- 1% in interest rates (interest income)	2,610	2,610
+/- 1% in interest rates (interest expense)	(1,344)	(1,344)
	1,266	1,266

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:

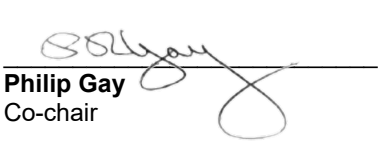
1. The Financial Statements and Notes as set out on pages 10 to 32 are in accordance with the *Corporations Act 2001* and:

   i) comply with Australian Accounting Standards which, a 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 2025 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.



Philip Gay
Co-chair

Joan Janssen
Director

Signed at Daylesford on 24 September 2025.

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 2025, the statement of 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 2025 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 Management and the Directors for the Financial Report

Management 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 management 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, management is 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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

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

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CountPro Audit Pty Ltd

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Jason Hargreaves

Director

180 Eleanor Drive, Lucas

25 September 2025

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