

Daylesford District Community Developments Limited
ABN: 72 149 942 067

Interim Financial Report

For the Half Year Ended 31 December 2018

Daylesford District Community Developments Limited

ABN 72 149 942 067

Directors' Report

Your Directors submit the Financial Report of Daylesford District Community Developments Limited (the Company) for the half year ended 31 December 2018.

Directors

The names of Directors who held office during or since the end of the half-year:

Marek Julius Rak (Chair)
Margaret Catherine Hodge
Peter John Benedict Duncan AO
Philip Roy Gay
Joan Mary Janssen
Carol Louise Ross
Gregory Eugene Thompson
David John Smith
Jennifer Marion Russell
Victor Szwed

Principal activities

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

Review and results of operations

The net profit of the Company for the financial period after provision for income tax was \$82,198 (December 2017: \$81,585). The Company's business portfolio grew by \$3.77 million to \$105.94 million (3.7% increase) over the 6 months to 31 December 2018. Revenue from ongoing operations was 5.2% higher and cash flow from operations was 22.0% higher than the previous corresponding period in 2017.

Matters subsequent to the end of the reporting period

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company.

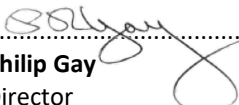
Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this Report.

Auditor's independence declaration

The Auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 2 for the half year ended 31 December 2018.

The Directors' Report is signed in accordance with a resolution of the Board of Directors at Daylesford on 12 March 2019.


.....
Philip Gay
Director


.....
Marek Rak
Chair

Dated: 12 March 2019

Daylesford District Community Developments Limited

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018 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.

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Jason D. Hargreaves
Director

20 Lydiard Street South, Ballarat

11 March 2019

Daylesford District Community Developments Limited
 ABN 72 149 942 067
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2018

	Half-Year Ended 31 Dec 2018 \$	Half-Year Ended 31 Dec 2017 \$
Income		
Revenue	441,686	420,041
	<u>441,686</u>	<u>420,041</u>
Expenses		
Employee benefits expense	184,526	170,507
Depreciation and amortisation	15,835	10,152
Administration and general costs	23,956	25,283
Finance costs	327	2,937
Occupancy expenses	33,737	36,654
IT costs	17,096	16,226
ATM costs	1,916	2,160
Motor vehicle expenses	4,736	3,873
Board expenses	3,251	2,496
Other expenses	33,673	31,472
	<u>319,053</u>	<u>301,760</u>
Profit before charitable donations & sponsorships	122,633	118,281
Charitable donations and sponsorship	9,257	5,735
Profit / (loss) before income tax	113,376	112,546
Income tax expense / (benefit)	31,178	30,961
Profit / (loss) for the period	82,198	81,585
Other comprehensive income	-	-
Total comprehensive income for the period	<u>82,198</u>	<u>81,585</u>
Profit / (loss) attributable to members of the company	82,198	81,585
Total comprehensive income attributable to members of the company	<u>82,198</u>	<u>81,585</u>
Earnings per share (cents per share)		
- basic earnings per share	13.70	13.60
- diluted earnings per share	13.70	13.60

The accompanying notes form part of these financial statements

Daylesford District Community Developments Limited

ABN 72 149 942 067

Statement of Financial Position

as at 31 December 2018

	As at 31 Dec 2018 \$	As at 30 Jun 2018 \$
ASSETS		
Current Assets		
Cash and cash equivalents	118,481	394
Trade and other receivables	81,314	76,490
Prepayments	24,829	31,405
Total Current Assets	224,624	108,289
Non-Current Assets		
Property, plant and equipment	107,820	123,656
Deferred tax assets	61,411	92,590
Total Non-Current Assets	169,231	216,246
Total Assets	393,855	324,535
LIABILITIES		
Current Liabilities		
Trade and other payables	50,675	49,347
Borrowings	4,276	21,890
Provisions	29,610	13,338
Total Current Liabilities	84,561	84,575
Non-Current Liabilities		
Provisions	860	13,724
Total Non-Current Liabilities	860	13,724
Total Liabilities	85,421	98,299
Net Assets	308,434	226,236
Equity		
Issued capital	575,520	575,520
Retained earnings / (Accumulated losses)	(267,086)	(349,284)
Total Equity	308,434	226,236

The accompanying notes form part of these financial statements

Daylesford District Community Developments Limited
ABN 72 149 942 067
Statement of Changes in Equity
for the half-year ended 31 December 2018

	Note	Issued Capital \$	Retained earnings \$	Total Equity \$
Balance at 1 July 2017		575,520	(450,223)	125,297
Total comprehensive income for the period		-	81,585	81,585
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	5	-	-	-
Balance at 31 December 2017		<u><u>575,520</u></u>	<u><u>(368,638)</u></u>	<u><u>206,882</u></u>
Balance at 1 July 2018		575,520	(349,284)	226,236
Total comprehensive income for the period		-	82,198	82,198
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	5	-	-	-
Balance at 31 December 2018		<u><u>575,520</u></u>	<u><u>(267,086)</u></u>	<u><u>308,434</u></u>

The accompanying notes form part of these financial statements

Daylesford District Community Developments Limited
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Statement of Cash Flows
for the half-year ended 31 December 2018

	Half-Year Ended 31 Dec 2018 \$	Half-Year Ended 31 Dec 2017 \$
Cash Flows From Operating Activities		
Receipts from customers	436,863	413,269
Payments to suppliers and employees	(299,378)	(295,726)
Interest paid	(327)	(2,937)
Taxes paid	(1,458)	(2,957)
Net cash flows from operating activities	135,700	111,649
Cash Flows From Investing Activities		
Payments for property, plant and equipment	-	(620)
Net cash flows from used in investing activities	-	(620)
Cash Flows From Financing Activities		
Repayment of borrowings	(8,333)	(6,632)
Net cash flows used in financing activities	(8,333)	(6,632)
Net increase in cash held	127,367	104,397
Cash and cash equivalents at beginning of period	(8,886)	(158,335)
Cash and cash equivalents at end of period	118,481	(53,938)

The accompanying notes form part of these financial statements

Daylesford District Community Developments Limited
ABN 72 149 942 067
Notes to the Financial Statements
for the half-year ended 31 December 2018

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose interim Financial Statements for the half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard *AASB 134: Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim Financial Report is intended to provide users with an update on the latest Annual Financial Statements of Daylesford District Community Developments Limited ("the Company"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this Financial Report be read in conjunction with the Annual Financial Statements of the Company for the year ended 30 June 2018, together with any public announcements made during the following half-year.

(b) Accounting policies

The interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the entity's last Annual Financial Statements for the year ended 30 June 2018.

(c) Critical accounting estimates and judgements

The critical judgements, estimates and assumptions applied in the interim Financial Statements were the same as those applied in the entity's last Annual Financial Statements for the year ended 30 June 2018.

(d) New and revised accounting requirements applicable to the current half year reporting period

The Company notes the introduction of IFRS 16 Leases with effect from 1 January 2019 and is considering its application to the properties leased by the Company.

2. Events after the End of the Interim Period

There have been no events subsequent to reporting date that would materially affect the Financial Statements at the reporting date.

3. Contingent assets and liabilities

Since the last annual reporting date there has been no material change of any contingent assets or contingent liabilities.

4. Segment reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Daylesford and surrounding district.

5. Dividends

	2018	2017
	\$	\$
Dividends recorded during the half year:		
Unfranked dividend	-	-
6. Earnings per share		
Basic earnings per share (cents)	13.70	13.60
Earnings used in calculating basic and diluted earnings per share	82,198	81,585

Daylesford District Community Developments Limited
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Notes to the Financial Statements
for the half-year ended 31 December 2018

7. Fair Value Measurement

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The Company did not measure any financial assets or financial liabilities at fair value at 31 December 2018 or 31 December 2017.

The Company has a number of financial instruments which are not measured at fair value in the statement of financial position. These had the following fair values as at 31 December 2018:

	31-Dec-18		30-Jun-18	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	118,481	118,481	394	394
Trade and other receivables	81,314	81,314	76,490	76,490
Total financial assets	<u>199,795</u>	<u>199,795</u>	<u>76,884</u>	<u>76,884</u>
Financial liabilities				
Trade and other payables	50,675	50,675	49,347	49,347
Bank overdraft	-	-	9,281	9,281
Borrowings	4,276	4,276	12,609	12,609
Total financial liabilities	<u>54,951</u>	<u>54,951</u>	<u>71,237</u>	<u>71,237</u>

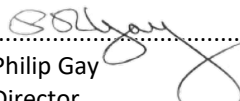
The carrying amounts of the current receivables, current payables and current borrowings are considered to be a reasonable approximation of their fair value.


Daylesford District Community Developments Limited
ABN 72 149 942 067
Directors' Declaration
for the half-year ended 31 December 2018

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 3 to 8 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-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
Director


.....
Marek Rak
Chair

Signed at Daylesford on 12 March 2019

Independent Auditor's Review Report To the Directors of Daylesford District Community Developments Limited

We have reviewed the accompanying half-year financial report of Daylesford District Community Developments Limited, which comprises the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a statement of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Daylesford District Community Developments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Daylesford District Community Developments Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

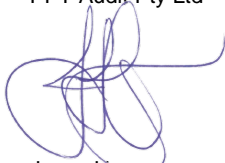
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Daylesford District Community Developments Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PPT Audit Pty Ltd

PPT Audit Pty Ltd



Jason Hargreaves
Director

Signed at Ballarat

14 March 2019