

Daylesford District Community Developments Limited

ABN: 72 149 942 067

Interim Financial Report

For the Half Year Ended 31 December 2021

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 2021.

Directors

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

Marek Julius Rak (Chair)
Margaret Catherine Hodge
Philip Roy Gay
Joan Mary Janssen
Carol Louise Ross
Victor Szwed (retired 23 November 2021)
Marianne Dunham
Jim Foster
Kate Redwood
Peter Douglas (appointed 8 November 2021)

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 after tax for the Company for the 6 months ended 31 December 2021 was \$25,889 (December 2020: \$108,517).

An environment of lower interest rates, lower margins and an unfavourable shift in our customers' product mix, significantly impacted revenue from operations.

Charitable donations and sponsorships expense was \$22,705, (December 2020: \$42,914). The reduced expense was due to COVID 19 restrictions, which severely curtailed the activities of many not-for-profit groups.

Footings grew by \$7.4 million to \$139.6 million over the 6-month period.

The Company renewed its lease at the branch premises at 97 Vincent Street, Daylesford for a further 5 years. As a consequence, there was a significant increase in the right of use asset and current and non-current lease liability.

Cash flow from operating activities was (\$1,544) (December 2020 \$214,181). It included a payment of \$50,000 to the Bendigo Community Enterprise Foundation which related to the previous year and tax paid of \$22,640, reflecting the fact that The Company has utilised its carried forward tax losses. Cash, cash equivalents and financial assets were \$359,507 as at 31 December 2021 (June 2021: \$389,129).

In December 2021 the Company committed to changing its pricing model with its franchisor Bendigo and Adelaide Bank. The new pricing model will be more favourable and this will be reflected in improved income for the 6 months ending 30 June 2022. The Company has also agreed to renew its franchise for 5 years from April 2022 with an option to extend for a further 5 years.

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Directors' Report

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.

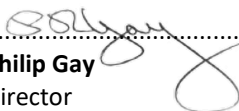
Significant changes in the state of affairs


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 3.

The Directors' Report is signed in accordance with a resolution of the Board of Directors at Daylesford on 5 April 2022.


.....
Philip Gay
Director


.....
Marek Rak
Chair

Dated: 17th April 2022

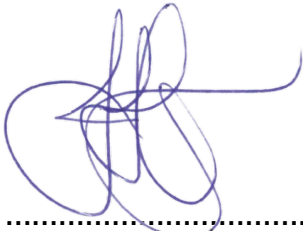
Daylesford District Community Developments Limited

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 half-year ended 31 December 2020 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

1st April 2022

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 2021

	Half-Year Ended 31 Dec 2021 \$	Half-Year Ended 31 Dec 2020 \$
Income		
Revenue	376,104	500,817
Other Income	-	16,647
	<u>376,104</u>	<u>517,464</u>
Expenses		
Employee benefits expense	199,394	182,873
Depreciation and amortisation	35,031	49,983
Administration and general costs	27,217	25,179
Finance costs	318	1,789
Occupancy expenses	7,377	8,530
IT costs	15,859	19,409
ATM costs	3,084	3,355
Motor vehicle expenses	(47)	3,629
Board expenses	5,995	6,350
Other expenses	25,866	25,423
	<u>320,094</u>	<u>326,520</u>
Profit before charitable donations & sponsorships	<u>56,010</u>	<u>190,944</u>
Charitable donations and sponsorship	22,705	42,914
Profit / (loss) before income tax	<u>33,305</u>	<u>148,030</u>
Income tax expense / (benefit)	7,416	39,513
Profit / (loss) for the period	<u>25,889</u>	<u>108,517</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>25,889</u></u>	<u><u>108,517</u></u>
Profit / (loss) attributable to members of the company	25,889	108,517
Total comprehensive income attributable to members of the company	<u><u>25,889</u></u>	<u><u>108,517</u></u>
Earnings per share (cents per share)		
- basic earnings per share	4.31	18.09
- diluted earnings per share	4.31	18.09

Daylesford District Community Developments Limited
ABN 72 149 942 067
Statement of Financial Position
as at 31 December 2021

	As at 31 Dec 2021 \$	As at 30 Jun 2021 \$
ASSETS		
Current Assets		
Cash and cash equivalents	309,846	364,694
Trade and other receivables	67,392	78,604
Financial assets	49,603	24,435
Prepayments	24,760	32,795
Total Current Assets	451,601	500,528
Non-Current Assets		
Property, plant and equipment	1,207	13,559
Deferred tax assets	15,645	12,891
Right of use assets	251,522	22,679
Total Non-Current Assets	268,374	49,129
Total Assets	719,975	549,657
LIABILITIES		
Current Liabilities		
Current tax liabilities	18,036	30,505
Trade and other payables	42,479	120,356
Lease liability	45,044	23,533
Provisions	44,327	33,137
Total Current Liabilities	149,886	207,531
Non-Current Liabilities		
Lease liability	201,707	-
Provisions	3,250	2,883
Total Non-Current Liabilities	204,957	2,883
Total Liabilities	354,843	210,414
Net Assets	365,132	339,243
Equity		
Issued capital	491,520	491,520
Retained earnings / (Accumulated losses)	(126,388)	(152,277)
Total Equity	365,132	339,243

Daylesford District Community Developments Limited
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Statement of Changes in Equity
for the half-year ended 31 December 2021

	Note	Issued Capital \$	Retained earnings \$	Total Equity \$
Balance at 1 July 2020		533,520	(209,764)	323,756
Total comprehensive income for the period		-	108,517	108,517
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	5	-	-	-
Balance at 31 December 2020		<u>533,520</u>	<u>(101,247)</u>	<u>432,273</u>
 Balance at 1 July 2021		 491,520	 (152,277)	 339,243
Total comprehensive income for the period		-	25,889	25,889
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	5	-	-	-
Balance at 31 December 2021		<u>491,520</u>	<u>(126,388)</u>	<u>365,132</u>

Daylesford District Community Developments Limited
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Statement of Cash Flows
for the half-year ended 31 December 2021

	Half-Year Ended 31 Dec 2021 \$	Half-Year Ended 31 Dec 2020 \$
Cash Flows From Operating Activities		
Receipts from customers	386,347	514,049
Payments to suppliers and employees	(364,933)	(298,079)
Interest paid	(318)	(1,789)
Income Tax Paid	(22,640)	-
Net cash flows from operating activities	(1,544)	214,181
Cash Flows From Investing Activities		
Payments for investments	(25,000)	-
Net cash flows from investing activities	(25,000)	-
Cash Flows From Financing Activities		
Repayment of lease liabilities	(28,304)	(27,914)
Net cash flows used in financing activities	(28,304)	(27,914)
Net increase in cash held	(54,848)	186,267
Cash and cash equivalents at beginning of period	364,694	176,681
Cash and cash equivalents at end of period	309,846	362,948

Daylesford District Community Developments Limited

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**Notes to the Financial Statements
for the half-year ended 31 December 2021**

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 2021 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 2021, together with any public announcements made during the following half-year.

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

	2021	2020
Dividends recorded during the half year:	\$	\$
Unfranked dividend	-	-

6. Earnings per share

Basic earnings per share (cents)	4.31	18.09
Earnings used in calculating basic and diluted earnings per share	25,889	108,517

Daylesford District Community Developments Limited

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**Notes to the Financial Statements
for the half-year ended 31 December 2021**

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 2021 or 31 December 2020.

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 2020:

	31-Dec-21		30-Jun-21	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	309,846	309,846	364,694	364,694
Trade and other receivables	67,392	67,392	78,604	78,604
Financial assets	49,603	49,603	24,435	24,435
Total financial assets	<u>426,841</u>	<u>426,841</u>	<u>467,733</u>	<u>467,733</u>
Financial liabilities				
Trade and other payables	42,479	42,479	120,356	120,356
Total financial liabilities	<u>42,479</u>	<u>42,479</u>	<u>120,356</u>	<u>120,356</u>

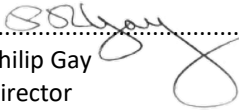
The carrying amounts of the current receivables, current payables and current borrowings are considered to be a reasonable approximation of their fair value.


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Directors' Declaration
for the half-year ended 31 December 2021

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 9 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 2021 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 17th April 2022

Independent Auditor's Review Report

To the Directors of Daylesford District Community Development Ltd

We have reviewed the accompanying half-year financial report of Daylesford District Community Development Limited, which comprises the statement of financial position as at 31 December 2021, 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 2021 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 Development 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 Development Limited, would be in the same terms if given to the Directors as at the time of this auditor's report. Liability limited by a scheme approved under Professional Standards Legislation.

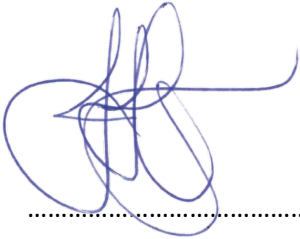
Conclusion

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 Development 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 2021 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*.

CountPro Audit Pty Ltd

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Jason D. Hargreaves
Director

Signed at Ballarat 19th April 2022