

Daylesford District Community Developments Limited
ABN: 72 149 942 067

Interim Financial Report

For the Half Year Ended 31 December 2017

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 2017.

Directors

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

Marek Julius Rak (Chair)
Jeffrey Colin Bain (retired 14 November 2017)
Peter John Benedict Duncan AO
Philip Roy Gay
Joan Mary Janssen
Carol Louise Ross
Gregory Eugene Thompson
David John Smith
Jennifer Marion Russell

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 \$81,585 (December 2016: \$36,448). The Company's business portfolio grew by \$3.77 Million to \$105.94 Million (3.7% increase) over the 6 months to 31 December. Revenue from ongoing operations improved by 14.3% over the previous corresponding period in 2016.

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

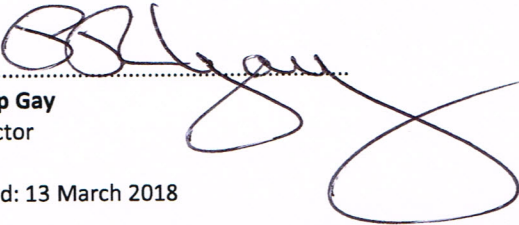
There were no significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this Report.

Daylesford District Community Developments Limited
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Directors' Report

Auditor's independence declaration

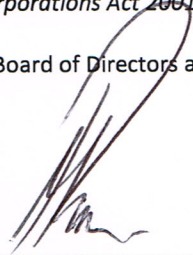
The Auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 3 for

The Director's Report is signed in accordance with a resolution of the Board of Directors at Daylesford on 13 March 2018.



.....
Philip Gay
Director

Dated: 13 March 2018



.....
Marek Rak
Chairman

Auditor 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 2017 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.

PPT Audit Pty Ltd
PPT Audit Pty Ltd



Jason Hargreaves
Director

Signed at Ballarat

9 March 2018

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 2017

	Half-Year Ended 31 Dec 2017 \$	Half-Year Ended 31 Dec 2016 \$
Income		
Revenue	420,041	367,404
	<u>420,041</u>	<u>367,404</u>
Expenses		
Employee benefits expense	154,606	148,538
Depreciation and amortisation	10,152	21,822
Administration and general costs	25,283	26,000
Finance costs	2,937	6,088
Occupancy expenses	36,654	31,415
IT costs	16,226	17,688
ATM costs	2,160	2,843
Motor vehicle expenses	3,873	4,976
Board expenses	18,397	17,551
Loss on disposal of assets	-	3,038
Other expenses	31,472	22,344
	<u>301,760</u>	<u>302,303</u>
Profit before charitable donations & sponsorships	<u>118,281</u>	<u>65,101</u>
Charitable donations and sponsorship	5,735	13,126
Profit / (loss) before income tax	<u>112,547</u>	<u>51,975</u>
Income tax expense / (benefit)	30,961	15,527
Profit / (loss) for the period	<u>81,585</u>	<u>36,448</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>81,585</u></u>	<u><u>36,448</u></u>
Profit / (loss) attributable to members of the company	81,585	36,448
Total comprehensive income attributable to members of the company	<u><u>81,585</u></u>	<u><u>36,448</u></u>
Earnings per share (cents per share)		
- basic earnings per share	13.60	6.07
- diluted earnings per share	13.60	6.07

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 2017

	As at 31 Dec 2017 \$	As at 30 Jun 2017 \$
ASSETS		
Current Assets		
Cash and cash equivalents	751	833
Trade and other receivables	79,616	72,844
Other assets	23,420	20,103
Total Current Assets	103,787	93,780
Non-Current Assets		
Property, plant and equipment	142,394	151,925
Deferred tax assets	115,861	146,823
Total Non-Current Assets	258,255	298,748
Total Assets	362,042	392,528
LIABILITIES		
Current Liabilities		
Trade and other payables	44,922	53,944
Borrowings	62,734	174,986
Provisions	24,578	17,804
Total Current Liabilities	132,234	246,734
Non-Current Liabilities		
Borrowings	12,609	12,609
Provisions	10,317	7,888
Total Non-Current Liabilities	22,926	20,497
Total Liabilities	155,160	267,231
Net Assets	206,882	125,297
Equity		
Issued capital	575,520	575,520
Retained earnings / (Accumulated losses)	(368,638)	(450,223)
Total Equity	206,882	125,297

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 2017

	Note	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2016		575,520	(490,480)	85,040
Total comprehensive income for the period		-	36,448	36,448
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	5	-	(24,000)	(24,000)
Balance at 31 December 2016		<u>575,520</u>	<u>(478,032)</u>	<u>97,488</u>
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>575,520</u>	<u>(368,638)</u>	<u>206,882</u>

The accompanying notes form part of these financial statements

Daylesford District Community Developments Limited
ABN 72 149 942 067
Statement of Cash Flows
for the half-year ended 31 December 2017

	Half-Year Ended 31 Dec 2017 \$	Half-Year Ended 31 Dec 2016 \$
Cash Flows From Operating Activities		
Receipts from customers	413,269	354,255
Payments to suppliers and employees	(295,726)	(278,309)
Interest paid	(2,937)	(6,088)
Taxes paid	(2,957)	-
Net cash flows from operating activities	111,649	69,858
Cash Flows From Investing Activities		
Purchase of motor vehicle	-	(29,523)
Proceeds from the sale of property, plant and equipment	-	6,136
Payments for property, plant and equipment	(620)	-
Net cash flows from / (used in) investing activities	(620)	(23,387)
Cash Flows From Financing Activities		
Repayment of borrowings	(6,632)	(26,060)
Net cash flows used in financing activities	(6,632)	(26,060)
Net increase / (decrease) in cash held	104,397	20,411
Cash and cash equivalents at beginning of period	(158,335)	(213,774)
Cash and cash equivalents at end of period	(53,938)	(193,363)

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 2017

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 2017 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 2017, 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 2017.

(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 2017.

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

The Company has considered the implications of any new or amended Accounting Standards, but determined that their application to the interim Financial Statements is either not relevant or not material.

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

	2017	2016
	\$	\$
Dividends recorded during the half year:		
No dividends paid or declared (2016: Unfranked dividend of 4 cents per share)	-	24,000

6. Earnings per share

Basic earnings per share (cents)	13.60	6.07
Earnings used in calculating basic and diluted earnings per share	81,585	36,448

Daylesford District Community Developments Limited
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Notes to the Financial Statements
for the half-year ended 31 December 2017

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:

<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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 2017 or 31 December 2016.

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 2017:

	31-Dec-17		30-Jun-17	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	751	751	833	833
Trade and other receivables	79,616	79,616	72,844	72,844
Total financial assets	80,367	80,367	73,677	73,677
Financial liabilities				
Trade and other payables	44,922	44,922	53,944	53,944
Bank overdraft	54,687	54,687	159,168	159,168
Borrowings	20,656	20,656	28,427	28,427
Total financial liabilities	120,265	120,265	241,539	241,539

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 2017

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 4 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 2017 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 13 March 2018

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 2017, 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.

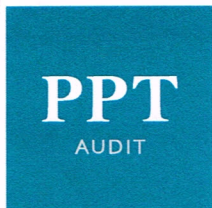
Auditor's Responsibility

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 2017 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.



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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 2017 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

Jason Hargreaves
Director

Signed at Ballarat

14 March 2018