

Promontory District  
Finance Group Limited  
A.C.N. 085 537 328  
Trading as:

# Annual Report 2010

TOORA & DISTRICT COMMUNITY  
BANK<sup>®</sup> BRANCH  
and  
FOSTER BRANCH

Bendigo Bank



## OUR VISION

To actively influence the provision of banking services in our community and to use our share of the profit flowing from these financial activities to strengthen our community.

## OUR MISSION

To operate a successful community bank and demonstrate its benefits by investing its profits in activities which will diversify and strengthen the social and economic foundation of our society.

We will work co-operatively with the Promontory District community to achieve these goals.

### ACCOUNTANT

Duesburys Gippsland  
76 Main Street  
Foster Vic 3960

### AUDITOR

Cardell Accountants  
3a Billson Street  
Wonthaggi Vic 3995

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Front Cover:

After the presentation of Grants and Sponsorships at the Foster Stockyard Gallery 2010.  
Back Row: John Stone - Branch Manager, Irmela McIntyre – Director, Geoff Montague – accepted a Grant on behalf of the Men's Shed for a Dust Extraction Unit, Llew Vale - Director  
Front row: Judy Whatley and Mary Biemans accepted a Grant on behalf of the Toora Hall for new steps to the stage, Jeanette Harding and Don Galloway accepted a Sponsorship on behalf of the Toora Bowls Club for Ride on Mower.

*Photo: Courtesy of the Foster Mirror*

**All Correspondence Addressed to:**

**Toora & District Community Bank<sup>®</sup> Branch of Bendigo Bank**

**48 Stanley Street, Toora, Victoria 3962**

**Phone: (03) 5686 2000 Fax: 5686 2010**

**Management Company : Promontory District Finance Group Limited ABN 69 085 537 328**

**Bendigo Bank Limited, Fountain Court, Bendigo VIC 3550 ABN 11 068 049 178**

## Chairman's Report

It is again my pleasure to present the Promontory District Finance Group Ltd 2009-10 Annual Report on behalf of the Board of Directors. The 2009-10 financial year has been another eventful year for your community company. The first half of the year saw the full impact of the global financial crisis hit with our income shrinking despite business volumes increasing. As you can imagine, this placed some pressure on your community company. Thankfully, the situation returned to some sort of stability in the second half of the year and we ended up recording a profit of \$17,989 up from last year's \$12,996. This great result is after our payment to the Community Enterprise Foundation of \$71,365 for grants and sponsorship provision and the interest payment of \$8,510 to our contributors. Our company has continued its strong business growth again this year, with our total book standing at over \$m79.2 (\$m73.5 last year).

I would like to thank our fantastic staff, led by our manager John Stone for their continued hard work. We have welcomed two new staff members, Antoinette Moar and Amanda Littlejohn to our team during the year. It was with regret that we accepted the resignations of Jacie Tilley and Debra Johnson. We wish them all the best in their new positions. Our staff continue to provide a first rate service to both our customers and the board and their efforts in continuing to grow the business are greatly appreciated.

Our grants and sponsorships program has once again been of great assistance to many community groups, supporting many worthwhile projects in our district.

I would also like to thank all the board members for their tireless voluntary work in ensuring the continued success of the business.

The coming year looks to be another great chapter in our development with plans afoot to renovate the Toora Branch as well as further upgrades at Foster.

Our partnership with Bendigo and Adelaide Bank continues to be strong and productive and I would like to record our thanks to Rob Francis and his staff at the regional office for their continued support.

Our Telco commission referral agreement with Prom Coast Aged Care continued to support this vital service. During the past year, the Company has presented a total of \$5,000 towards the building program.

Finally I would like to thank you, our customers and contributors for your ongoing support that allows us to grow and continue to assist in the development of our local communities.

Allen Van Kuyk  
Chairman

## THE DIRECTORS



### **ALLEN VAN KUYK – Chairman**

Allen is a dairy farmer from Agnes who was appointed to the Board in 2001. Allen brings a younger point of view to the Board. He is on the committee of the Arthur Sutherland Recreation Reserve Committee and President of the Welshpool Cricket Club.

### **LLEWELYN VALE, OAM – Deputy Chair**

Llew was a foundation Director of Promontory District Finance Group and inaugural Company Secretary. He was also the Chair from 2000 to 2007. Llew is also involved in a number of other community activities. He is Chair of South Gippsland Water Corporation and a Director of Prom Coast Aged Care. Llew is a one of the Banks senior Mentors and has recently been elected to the Community Bank Strategic Advisory Board. Llew firmly believes the Community Bank has only just begun to reach its full potential.



### **IRMELA McINTYRE – Company Secretary**

Irmela with her husband Graham moved to South Gippsland almost 16 years ago and immediately became involved in a number of local community groups. Having worked in banking, Irmela understands the importance of providing full banking services to all members of the community. Irmela feels it is an honour to serve her local community as a Director and to promote the philosophy of Community Banking.

### **IRENE SPOONER - Treasurer**

Irene, together with her husband Allan, own and operate the Toora Newsagency and have a vested interest in the continued evolution of the township. She believes a banking service is essential to every town and hence Irene was one of the original team to investigate the new concept of community banking. She is proud to serve on the Community Bank Board.



### **NEVILLE BUCKLAND – Board Member**

Neville has completed his fifth year as a Director of the Promontory District Finance Group Ltd. He has farmed at Fish Creek all of his life, firstly in dairying and then in beef and sheep as well as being an agricultural contractor. Neville is also a director of S.E.L.L., a stock marketing company. Included in his community activities is membership of the Terrill Park Committee of which he was President for 30 years. Neville has also served as President of the Fish Creek Football Club for a number of years and is an enthusiastic supporter and life member.



**BRUCE BEATSON – Board Member**

Bruce has farmed in the Promontory District for forty years and is married with three children. As well as working part time for Turnbull Toyota, he and his wife Catherine are developing an alpaca stud enterprise.

**DAVID ROBERTS – Board Member**

David has resided in the Toora and Foster area for over sixty years and has worked as a farmer, livestock buyer, agent and transport operator. He realises the immense value of a local bank. Threatened with losing this service in 1998, he became a driving force to ensure a banking service remained in the town. David is an inaugural Director of Promontory District Finance Group Ltd and believes the Community Bank sustains the town's viability. "Without a Bank a town is like a body without a heart."



**PETER TILLEY – Board Member**

Peter lives in Foster with his wife Jacie and their two children. Practicing as an accountant, he is aware of the important role that banking and financial services play in the community. Peter enjoys living in a country town and being part of the endeavour by the local community to make the most of its own future. He has significant board experience for local community groups and is on the audit committee for South Gippsland Water.

**CLIVE WHITE – Board Member**

An inaugural Director, Clive lives at Fish Creek and is married with three children. He has been in practice as a lawyer in the Promontory district for twenty-five years and has been heavily involved in community activities. Clive believes strongly in the enhancement of the environment and economy of the area.



**ROBERT LILEY – Board Member**

Rob was born in Melbourne but has lived most of his adult life in the country. He is married with two adult children. After graduating from Marcus Oldham Agricultural College he farmed at Melton, Bega NSW and Walkerville since 1975. Rob has always been involved in local community activities and agri politics and enjoys the challenge of strengthening our local community through the activities of the Toora and District Community Bank Branch of Bendigo Bank.

## Manager's Report.

Our local business as a whole has continued to grow with both Toora and Foster branches showing increased book value during 2009-10. The Bendigo & Adelaide Bank continues to grow its customer base and number of branches while the demand for the Community Bank® business model remains strong. By promoting the values and visions of teamwork, integrity, performance, engagement, passion and leadership, management believes they have placed the Bank in the best possible position to take advantage of improvement in market conditions and public confidence.

Statistically, the combined Toora and Foster Branch's total funds under management increased by 10.63% to \$82.09 million (inclusive of Superannuation & Financial Investment Funds) and the number of customer accounts increased by 6.3% to 3368. Again, this performance clearly demonstrates the support and acceptance of our operation by local residents and businesses. It also endorses the Board's decision to open a full banking facility in Foster which is nearing profit in its own right. Everyone should be proud of what "your bank" has achieved, without your business we wouldn't be where we are today.

With both our Community Bank® branches continuing to offer a full array of banking products at competitive rates, and providing friendly and personalised service to all our customers, we look forward to continuing to grow the business in partnership with residents of the whole Promontory District region.

I again recognize, and am proud of, another strong performance from our small team of local employees. I thank Sandra Faragher, Anne Palmer, Karen Dorling, Jacie Tilley, Trudy Heiser, Michelle Walker and Debra Johnson for their willingness to put in that bit extra which in no small way has contributed to the end result. We also welcomed Antoinette Moar and Amanda Littlejohn on board as Customer Service Officers late in the year. All staff alternate between the two branches when necessary. On the down side, Jacie and Debra tendered their resignations during the year for personal reasons and we wish them well and thank them for their efforts.

Internal Audits for both branch operations and staff performances are carried out from time to time and results of such audits have shown general compliance to regulation and good staff performance standards being achieved and maintained. I acknowledge the support received from Rob Francis, our Regional Manager and his team at the regional office in Warragul. I particularly would like to acknowledge the input of our Business Banking team based at Leongatha and Financial Advisors, Shannon Egan and Dean Thompson, for the provision of lending assistance and advice throughout the year.

The Community Banking® movement continues to grow and there are now well over 260 Community Banks® across Australia and are represented in all states (with additional retail branches and agencies there are now 450 banking outlets of Bendigo & Adelaide Bank Australia wide). Through their local boards the Community Banks® have contributed over \$40 million back to community projects and provided employment to over 1200 staff.

We at Toora/Foster are proud to be part of a team that is changing the face of banking throughout the country. Our own contribution locally nears \$400,000 in Grants and Sponsorships and \$16,000 from our Communications Telco has been passed on to our local Prom Country Aged Care Centre.

In closing, I acknowledge the support and direction given to me and the staff by our local Board of Directors who are diligent in seeing the right processes and policies are in place and effectively run the Branch's finance Company, Promontory District Finance Group.

John Stone  
**Branch Manager**

## THE BRANCH STAFF

### John Stone – Branch Manager



John commenced working with the bank in 2000 having had previous banking experience with the former State Bank as a Loans Officer & Branch Accountant. After leaving the bank John spent twenty-one years working in the water industry as Secretary/Manager of the Toora Water Trust and Sewerage Authority, Manager of South Gippsland Water Board and as part of a five-man management team with South Gippsland Water.

John has lived locally most of his life and has had an active involvement in local sporting associations. He is a life member of both the Toora Football and Cricket clubs and long term President of the Toora Recreation Reserve Committee. He enjoys spending time with his growing family, a game of tennis, fishing and is a frustrated golfer.

### Sandra Faragher – Branch Supervisor

Sandra has previous bank experience with the Commonwealth Bank Australia as a Teller and Customer Service Officer in Melbourne and various suburban branches and also in their operations centre in Pinewood. Sandra has also worked as a receptionist at Berwickwide Community Health Service and Latrobe Community Health Service.

She has two children, husband Rick and a small beef farm that keep her occupied. Her interests include horse riding, reading, camping, visiting family and friends and going to the cinema.



### Anne Palmer - Branch Supervisor



Anne has had over twenty years banking experience with the State Bank of Victoria, Commonwealth Bank and the National Australia Bank. She has worked locally starting at Yarram Branch in 1982, also at larger branches including Rockhampton.

She lives locally with her partner Geoff and their 2 teenage sons. She enjoys walking her dog, camping and spending time with friends. Anne is also kept busy supporting her sons sporting interests.

### Karen Dorling - Customer Relations Manager

Karen joined the bank in 2006 after a break from the workforce which was spent at home with her children. Previously Karen had been employed in various Customer Service positions.

Karen and her husband Andrew live in Fish Creek with their three children who all attend school locally. Karen and her family enjoy spending time at home, visiting the beach and motorbike riding.





### **Trudy Heiser - Customer Service Officer**



Trudy has come from a Customer Service role in the retail industry and a workplace training background with no previous experience in the Banking industry and commenced with us in September 2007. She is very involved with the community through community work and local charities. Trudy lives locally with her husband David on their dairy farm and has three adult children, the eldest is studying law at university and has one nursing at RCH in Melbourne. The youngest is completing a traineeship at Foodworks in Foster. Trudy enjoys family gatherings, holidays, socialising, wining & dining with friends and long walks.

### **Michelle Walker - Customer Service Officer**

Michelle started work with the bank in December 2007 after previous employment at Murray Goulbourn in Yarram. She has had previous banking experience with 12 years service at the State Bank of Victoria and the Commonwealth Bank.

Michelle lives at Port Franklin with her husband Dean and two children; Callan and Ayden. Both boys attend Foster Primary School. Michelle has been an active member of the Toora Netball Club, with two years as President and the Toora Recreation Reserve. She enjoys time relaxing with her family and friends and travelling.



### **Antoinette Moar – Customer Service Officer**



Antoinette joined the bank in late May 2010 after previous employment at Education Centre Gippsland in Leongatha. Antoinette lives in Toora North with her partner Mark. She is relatively new to the Toora area having moved from Melbourne in mid 2008. Antoinette is enjoying the seachange and getting to know the local people.

### **Amanda Littlejohn- Customer Service Officer**

Amanda joined the bank in mid June 2010, after previous employment at the Royal Standard Hotel in Toora. Amanda is thrilled to be working in the bank, she really enjoys her work and can see herself having a long career in the community bank. Amanda is new to Foster/ Toora area as she moved here at the start of 2010 from Mirboo North





**Debra Johnson - Customer Service Officer**

Following a period in the workforce in sales, Debra joined the bank in 2007 and transferred from the Yarram Branch in April 2009. Debra resigned to pursue other employment opportunities in April this year.

**Jacie Tilley - Customer Service Officer**

Jacie worked at Fish Creek Primary School for seven years prior to deciding on a sea change and starting with the bank at Foster. She lives just out of Foster with husband Peter and two sons. Jacie loves cooking, eating, gardening and reading.

It was with regret that we accepted Jacie's resignation effective on the 30<sup>th</sup> June 2010.



## Community Grants Program

The 2010 Community Bank Grants Program was again conducted through the Bendigo Bank Community Enterprise Foundation. As in past years, there was a great deal of interest from across the Promontory District. In order to spread the benefit of the Grants Program widely across our district, the Directors again added some additional money to the program. They also distributed further money as sponsorships to worthwhile projects which did not meet the prerequisites for a community grant.

The presentations were held in conjunction at the Stockyard Gallery in Foster. The evening was well attended by representatives of the community organisations receiving grants and sponsorships and staff and Directors of the Promontory District Finance Group. Congratulations to all Grants and Sponsorship recipients.

### 2010 GRANTS PROGRAM.

ORGANISATION	PROJECT	GRANT
• South Gippsland Hospital	Mothers of Pre Schoolers	\$5,000
• Prom Country Aged Care	Chairs	\$5,000
• Corner Inlet Men's Shed	Dust Extraction Equipment	\$1,757
• Fish Creek Community Development Group	Portable Sound System	\$1,342
• Toora Community Hall & Library	Stairs to stage	\$2,500
• Foster Amateur Music & Drama Association	Festival of One Act Plays	\$2,500
• Hedley Public Hall & Recreation Committee	Replacement of Kitchen Items	\$2,000
• Port Welshpool Working Club	Sound System	\$1,750
• Toora & District Family History Group	Paper Shredder	\$ 280
• Foster Football Club	Ground Lighting Upgrade	\$5,000

### Sponsorships

ORGANISATION	PROJECT	GRANT
• Toora Bowls Club	Mower	\$2,750
• South Coast Board Riders Club	Contest Trailer	\$1,500
• Fish Creek Bowls Club	Pennant Uniforms & BBL Logo on Bowling Balls	\$2,500

# Grants and Sponsorship Presentation Evening 2010





**PROMONTORY DISTRICT FINANCE GROUP LTD**  
**ABN 69 085 537 328**

**DIRECTORS' REPORT**

The Directors of the Promontory District Finance Group Ltd, a non-profit public company limited by guarantee, present their report on the accounts of the Company for the year ended 30<sup>th</sup> June 2010.

1. The names of, and information relating to, the Directors in office at the date of this report and attendance at meetings are set out at point 11 and 12.
2. The principal activity of the Company was to manage the Toora Community Bank® as a franchise of a registered commercial bank. There has been no significant change in the principal activities.
3. The net profit for the financial year after Income Tax and extraordinary items amounted to \$17,989 (last year \$12,996 profit).
4. The Constitution of the Company prohibits the payment of a dividend, bonus or other like distribution from the income and property of the Company howsoever derived. The Directors, in accord with the Constitution, do not recommend payment of a dividend and no dividend has been paid or provided for in this or the previous Directors' Report.

The Company is limited by guarantee. If the Company is wound up, each member is required to contribute a maximum of \$10 each in accordance with the constitution. At the 30<sup>th</sup> June 2010 the number of members was 131.

5. The Company achieved significant improvement in the value of its total book by increasing it from \$ 70.6 million at the 30<sup>th</sup> June 2009 to \$79.2 million at the 30<sup>th</sup> June 2010.
6. No matter or circumstance has arisen since the end of the financial year which has affected, or may significantly affect, the Company's operations, its results or its state of affairs in financial years after the financial year ended the 30<sup>th</sup> June 2010.
7. The Directors consider that there are no likely developments which need to be reported.
8. No shares or options have been issued.
9. During or since the end of the financial year the Company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:  
The Company has paid premiums to insure each director against liabilities for cost and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium in respect of the last financial year was \$3,960.
10. No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made with the Company or a related body corporate with a director, the firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the Company's accounts, prepared in accordance with Schedule 5 of the Corporations Regulations, or the fixed salary of a full time employee of the Company.

Peter Tilley is an accountant of Duesburys Gippsland and a member of the Board. His firm received remuneration for accountancy services provided to the Company and not for his role on the Board. The total amount paid to Duesburys Gippsland for the year ended 30<sup>th</sup> June 2010 was \$16,269.

There were no other transactions with responsible persons or their related parties.

**11. DIRECTORS IN OFFICE as at 30<sup>th</sup> JUNE 2010**

DIRECTORS NAME	OCCUPATION	YEARS ON THE BOARD
Llewelyn Vale	Farmer	11
Clive White	Solicitor	11
Irene Spooner	Newsagent	11
David Roberts	Farmer	11
Bruce Beatson	Farmer	11
Peter Tilley	Accountant	11
Allen Van Kuyk	Farmer	9
Neville Buckland	Farmer	8
Irmela McIntyre	Bookkeeper	8
Robert Liley	Farmer	3

**12. MEETINGS OF DIRECTORS**

During the financial year 11 meetings of directors were held and attendances were:

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Llewelyn Vale	11	9
Clive White	11	5
Irene Spooner	11	10
David Roberts	11	10
Bruce Beatson	11	9
Peter Tilley	11	5
Allen Van Kuyk	11	10
Neville Buckland	11	8
Irmela McIntyre	11	9
Robert Liley	11	10

## COMMITTEES OF THE BOARD

### Audit & Finance Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Peter Tilley	3	3
Llewelyn Vale	3	3
Clive White	3	2

### Corporate Governance Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Bruce Beatson	3	1
Irmela McIntyre	3	3
Allen Van Kuyk	3	3
Robert Liley	3	2

### Marketing Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
David Roberts	3	0
Neville Buckland	3	2
Irene Spooner	3	2
Bruce Beatson	3	0
Llewelyn Vale	3	3

### Grants Advisory Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Llewelyn Vale	1	1
Irene Spooner	1	1
Peter Tilley	1	1
Allen Van Kuyk	1	1
Irmela McIntyre	1	1

The role of the Board Committees is to study and discuss detailed Board issues and make recommendations to the Board on those issues.



### 13. 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 on page 40 of the financial report.

Signed at Foster on the 24<sup>th</sup> day of August 2010 in accordance with a resolution of the Board of Directors.

  
.....  
Director

  
.....  
Director

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
**ABN 69 085 537 328**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2010**

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
**ABN 69 085 537 328**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

	Note	Total 2010 \$	Total 2009 \$
<b><i>Revenue from ordinary activities</i></b>	2	683,508	590,708
Employee benefits expense	3	(329,401)	(294,447)
Depreciation and amortisation expense	3	(20,720)	(25,893)
Borrowing costs expense	3	(16,268)	(16,048)
Other expenses from ordinary activities		<u>(287,265)</u>	<u>(235,347)</u>
Profit from ordinary activities before income tax expense		29,854	18,973
Income tax expense	4	<u>9,203</u>	<u>5,977</u>
<b>Net profit after income tax expense</b>		<u><b>20,651</b></u>	<u><b>12,996</b></u>
<b>TOTAL CHANGES IN EQUITY</b>		<u><b>20,651</b></u>	<u><b>12,996</b></u>

*This Statement should be read in conjunction with the accompanying notes*

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
**ABN 69 085 537 328**

**BALANCE SHEET**  
**AS AT 30TH JUNE, 2010**

	Note	Total 2010 \$	Total 2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	152,349	133,491
Trade and other receivables	6	66,894	59,705
<b>TOTAL CURRENT ASSETS</b>		<u>219,243</u>	<u>193,196</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	146,189	162,619
Deferred tax assets	4	27,044	27,823
Intangible assets	8	23,147	27,699
<b>TOTAL NON-CURRENT ASSETS</b>		<u>196,380</u>	<u>218,141</u>
<b>TOTAL ASSETS</b>		<u>415,623</u>	<u>411,337</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	51,617	37,630
Short-term borrowings	9	23,123	21,054
Current tax liabilities	4	8,319	7,632
Short-term provisions	11	45,371	37,066
<b>TOTAL CURRENT LIABILITIES</b>		<u>128,430</u>	<u>103,382</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	9	204,791	250,273
Long-term provisions	11	13,289	9,220
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>218,080</u>	<u>259,493</u>
<b>TOTAL LIABILITIES</b>		<u>346,510</u>	<u>362,875</u>
<b>NET ASSETS</b>		<u>69,113</u>	<u>48,462</u>
<b>EQUITY</b>			
Retained earnings	12	69,113	48,462
<b>TOTAL EQUITY</b>		<u>69,113</u>	<u>48,462</u>
Contingent Liabilities and Contingent Assets	13	-	-
Capital Commitments	14	50,000	-

*This Statement should be read in conjunction with the accompanying notes*

PROMONTORY DISTRICT FINANCE GROUP LTD  
ABN 69 085 537 328

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE, 2010

	Retained Earnings \$
Balance at 1 July 2008	35,466
Profit	12,996
Balance at 30 June 2009	<u>48,462</u>
Profit	20,651
Balance at 30 June 2010	<u><u>69,113</u></u>

*This Statement should be read in conjunction with the accompanying notes*

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
**ABN 69 085 537 328**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

	Note	Total 2010 \$ Inflows/ (Outflows)	Total 2009 \$ Inflows/ (Outflows)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Bendigo Bank		737,312	630,872
Receipts from telco commission		1,745	2,139
Interest received		5,107	8,164
Payments to suppliers and employees		(655,587)	(580,854)
Finance costs		(16,216)	(15,995)
Income tax refund (paid)		(7,796)	14,538
<b>Net cash provided by (used in) operating activities</b>	15(b)	<u>64,565</u>	<u>58,864</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for investments		-	5,000
Purchase of property, plant and equipment		(2,291)	(10,818)
<b>Net cash provided by (used in) investing activities</b>		<u>(2,291)</u>	<u>(5,818)</u>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(20,996)	(19,185)
<b>Net cash provided by (used in) financing activities</b>		<u>(20,996)</u>	<u>(19,185)</u>
<b>Net increase in cash held</b>		41,278	33,861
<b>Cash at beginning of year</b>		(44,319)	(78,180)
<b>Cash at end of year</b>	15(a)	<u>(3,041)</u>	<u>(44,319)</u>

*This Statement should be read in conjunction with the accompanying notes*

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
**ABN 69 085 537 328**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**NOTE 1. STATEMENT OF ACCOUNTING POLICIES**

**Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**a) Income Tax**

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

Current income tax expense charged to the profit and loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to (or recovered from) the relevant taxation authority.

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

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income tax levied by the same authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**b) Property, Plant & Equipment**

Each class of property, plant & equipment is carried at cost less, where applicable, any accumulated depreciation.

Property, plant & equipment are measured on the cost basis.

**c) Depreciation**

Assets with a cost in excess of \$1,000, including building and capitalised lease assets but excluding freehold land, are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost over their estimated useful lives using the straight-line method. Depreciation rates are reviewed on an annual basis. The expected useful lives of non-current assets has not changed from the previous year.

The expected useful lives of non-current assets on which the depreciation charges are based for each class of assets are:

Buildings	40 years
Furniture & Fittings	3 – 13 <sup>1</sup> / <sub>3</sub> years
Improvements	40 years
Motor Vehicle	7 – 8 years



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**FOR THE YEAR ENDED 30TH JUNE 2010**

**d) Leases**

Lease payments for operating leases, where substantially all the risks and benefits incidental to ownership of the asset remain with the lessor, are charged as expenses in the period in which they are incurred.

Leases of fixed assets where substantially all the risks and benefits incidental to ownership of the assets, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

**e) Cash**

For the purpose of the cash flow statement, cash includes cash on hand, deposits held at call with banks or financial institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, which are shown as long-term borrowings in non-current liabilities on the balance sheet, are included in cash balances for cash flow reporting.

**f) Revenue**

Revenue from operating activities is recognised when the Bendigo Bank provides the company with a statement of the previous months transactions. All revenue is stated net of the amount of goods and services tax (GST).

**g) Rounding of Amounts**

All amounts shown in the Financial Statements are expressed to the nearest dollar.

**h) Receivables**

All trade debtors are recognised at their face value as they are due for settlement no more than 60 days from the date of recognition. Collectibility of trade debtors is reviewed on an on-going basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

**i) Trade and Other Creditors**

These amounts represent liabilities for goods and services provided to the end of the financial year which are unpaid. The normal credit terms are Net 30 days.

**j) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**k) Donations**

Donations are recognised as revenue when cash is received.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**l) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

**Sick Leave**

A liability is only recognised if it is probable that sick leave expected to be taken in future reporting periods will be greater than entitlements which are expected to accrue in those periods.

**m) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**n) Intangibles**

**Goodwill**

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributable to its net assets at date of acquisition. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses.

**Training prepayment**

Training prepayments are amortised over five years.

**Franchise fees**

Franchise fees are amortised over the period covered by the franchise. At present this is for five years.

**o) Going Concern**

The financial report has been prepared on a going concern basis as there are no material uncertainties, events or conditions that bring into question the ability of the entity to continue as a going concern.

**p) Community Enterprise Foundation (CEF)**

Just prior to the year end the company makes a contribution, the size of which is dependent upon the net result for the year, to the CEF. During the following year, in conjunction with the Company, the CEF undertakes an annual grant program. At the 30<sup>th</sup> June 2010 the balance of the funds held by the CEF in respect of the company was \$109,212.

PROMONTORY DISTRICT FINANCE GROUP LTD  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

*NOTE 2. REVENUE*

	Total 2010 \$	Total 2009 \$
<b>Operating activities</b>		
Franchise margin income	353,140	292,550
Commercial loan income	6,043	12,538
Commission income	209,703	177,220
Leasing/hire purchase income	4,039	3,377
Market development fund	50,417	42,584
Fee income	52,741	53,850
Telco commission	1,745	1,595
Interest	5,680	6,994
<b>Total revenue</b>	<u>683,508</u>	<u>590,708</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

**NOTE 3. PROFIT FROM ORDINARY ACTIVITIES**

<b>a) Expenses</b>	<b>Total 2010 \$</b>	<b>Total 2009 \$</b>
<b>Employee benefits expense</b>		
Wages	282,364	259,497
Workcover	1,029	718
Superannuation - SG	26,482	23,005
Superannuation - Salary Sacrifice	11,445	8,093
Fringe benefits tax	3,133	3,134
Sundry Seconded Employee Expenses	4,948	-
<b>Total employee entitlements</b>	<u>329,401</u>	<u>294,447</u>
<b>Borrowing cost expense</b>		
Building loan interest	2,575	2,902
Fitout loan interest	3,487	4,462
Overdraft interest	207	825
Motor vehicle loan interest	1,300	1,807
Contributors interest	8,510	5,999
Borrowing cost write off	189	53
<b>Total borrowing costs</b>	<u>16,268</u>	<u>16,048</u>
<b>Depreciation of non-current assets</b>		
Buildings and improvements	1,219	1,219
Furniture and fittings	12,305	15,744
Motor vehicles	5,196	6,928
<b>Total depreciation</b>	<u>18,720</u>	<u>23,891</u>
<b>Amortisation of non-current assets</b>		
Franchise fee	2,000	2,002
<b>Total amortisation</b>	<u>2,000</u>	<u>2,002</u>
<b>Bad debts written off</b>	<u>328</u>	<u>29</u>
<b>Audit fees</b>	<u>2,113</u>	<u>1,690</u>
<b>Rental expense on operating leases</b>		
Computer equipment	14,684	15,469
	<u>14,684</u>	<u>15,469</u>
<b>Contribution to Community Enterprise Charitable Fund (see description below)</b>	<u>71,365</u>	<u>30,000</u>

The Community Enterprise Foundation was established as the charitable arm of the Bendigo Bank to make grants for charitable purposes. Amounts contributed to the Charitable Fund will later be used to fund projects that deliver a benefit and add value to the local community.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

**NOTE 4. INCOME TAX**

	Total 2010 \$	Total 2009 \$
<b>a) Major components of income tax expense:</b>		
Current tax expense	8,463	7,752
Deferred tax expense (revenue) from origination of temporary differences	779	(1,775)
Prior year adjustment	(39)	-
Total tax expense / (income)	9,203	5,977

**b) The prima facie income tax on profit from ordinary activities is reconciled to the income tax expense as follows:**

Profit from ordinary activities	29,854	18,973
Prima facie tax payable on profit from ordinary activities before income tax at 30%	8,956	5,692
Add:		
Tax effect of:		
Non-deductible depreciation and amortisation	286	285
Prior year adjustment	(39)	-
	9,203	5,977

**c) Deferred tax assets and liabilities for each type of temporary difference**

The following items have given rise to deferred tax liabilities:

Accrued Interest	453	281
Motor Vehicle	1,251	1,342
Prepayment	750	750
Improvements	29	30
Total deferred tax liability	2,483	2,403

The following items have given rise to deferred tax assets:

Furniture and fittings	9,144	15,349
Accrued Wages	2,785	991
Annual leave	11,653	9,137
Long service leave	5,945	4,749
Total deferred tax assets	29,527	30,226
Offset of deferred tax liability against asset	2,483	2,403
Net deferred tax asset	27,044	27,823

**d) Current Tax Liabilities/(Assets):**

Current Tax Expense	8,463	7,752
Less:		
PAYG Income Tax Instalments Paid	144	159
Add:		
Over Provision in 07/08	-	39
Current Tax Liabilities/(Assets)	8,319	7,632

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

**NOTE 5. CASH AND CASH EQUIVALENTS**

	<b>Total 2010</b>	<b>Total 2009</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	126,587	108,685
Petty cash	95	61
Term deposit (contributors)	13,082	12,582
Term deposit (rent)	12,585	12,163
	<u>152,349</u>	<u>133,491</u>

A bank guarantee covering 6 months rent for the Foster sub-branch building (to a value of \$10,897) is secured against the term deposit as per the lease agreement with Bernard Koolstra.

**Reconciliation of cash**

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	152,349	133,491
Bank overdrafts	<u>(155,390)</u>	<u>(177,809)</u>
	<u>(3,041)</u>	<u>(44,318)</u>

**NOTE 6. TRADE AND OTHER RECEIVABLES**

	<b>Total 2010</b>	<b>Total 2009</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Accrued interest	1,509	936
Income share from Bendigo Bank	65,325	58,769
Amount receivable from ATO	60	-
<b>Total Receivables</b>	<u>66,894</u>	<u>59,705</u>

**NOTE 7. PROPERTY, PLANT & EQUIPMENT**

	<b>Total 2010</b>	<b>Total 2009</b>
	<b>\$</b>	<b>\$</b>
Land at cost	<u>27,524</u>	<u>27,524</u>
Buildings and improvements at cost	48,711	48,711
Less accumulated depreciation	<u>(12,079)</u>	<u>(10,860)</u>
	<u>36,632</u>	<u>37,851</u>
Furniture and fittings at cost	161,225	158,935
Less accumulated depreciation	<u>(94,779)</u>	<u>(82,474)</u>
	<u>66,446</u>	<u>76,461</u>
Motor vehicles at cost	29,880	29,880
Less accumulated depreciation	<u>(14,293)</u>	<u>(9,097)</u>
	<u>15,587</u>	<u>20,783</u>
<b>Total property, plant and equipment</b>	<u>146,189</u>	<u>162,619</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

**NOTE 7. PROPERTY, PLANT & EQUIPMENT (cont'd)**

**(a) Movements in carrying amounts**

Movements in the carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year.

	Land \$	Buildings & Imp'ts \$	Furniture & Fittings \$	Motor Vehicles \$	Total \$
Balance at beginning of year	27,524	37,851	76,461	20,783	162,619
Additions	-	-	2,290	-	2,290
Disposals	-	-	-	-	-
Depreciation expense	-	(1,219)	(12,305)	(5,196)	(18,720)
<b>Carrying amount at end of year</b>	<b>27,524</b>	<b>36,632</b>	<b>66,446</b>	<b>15,587</b>	<b>146,189</b>

**NOTE 8. INTANGIBLE ASSETS**

	Total 2010 \$	Total 2009 \$
Goodwill at cost (agency buyout)	13,362	13,362
Borrowing Costs	129	181
Training prepayment	2,500	5,000
Set up costs	20,000	20,000
Less accumulated amortisation	(20,000)	(20,000)
Franchise fee	10,000	10,000
Less accumulated amortisation	(2,844)	(844)
<b>Total intangible assets</b>	<b>23,147</b>	<b>27,699</b>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

**NOTE 9. BORROWINGS**

	Note	Total 2010 \$	Total 2009 \$
<b>CURRENT</b>			
Bank loan secured (building)	16	4,622	4,243
Bank loan secured (fit out)	16	12,562	11,427
Chattel Mortgage	16	5,939	5,384
<b>Total current</b>		<u>23,123</u>	<u>21,054</u>
<b>NON-CURRENT</b>			
Bank overdraft secured	16	155,390	155,390
Bank overdraft unsecured	16	-	22,419
Bank loan secured (building)	16	24,148	28,672
Bank loan secured (fit out)	16	20,959	33,559
Chattel Mortgage	16	4,294	10,233
<b>Total non-current</b>		<u>204,791</u>	<u>250,273</u>
<b>a) Total current and non-current secured liabilities:</b>			
Bank overdraft	16	155,390	155,390
Bank loan (building)	16	28,770	32,915
Bank loan (fit out)	16	33,521	44,986
		<u>217,681</u>	<u>233,291</u>
<b>b) The bank overdraft and loans are secured by a registered first mortgage over the freehold property and the contributions made by supporters of the Company which are held by the Bendigo Bank.</b>			
<b>c) The carrying amounts of non-current assets and contributions pledged as security are:</b>			
Land		27,524	27,524
Buildings and improvements		36,632	37,851
Contributions from supporters		155,390	155,390
		<u>219,546</u>	<u>220,765</u>



**PROMONTORY DISTRICT FINANCE GROUP LTD**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

**NOTE 10. TRADE AND OTHER PAYABLES**

	Total 2010 \$	Total 2009 \$
<b>CURRENT</b>		
GST payable	9,740	11,219
Accrued wages	9,284	3,304
Trade payables	21,134	13,421
PAYG withholding payable	11,459	9,686
<b>Total trade and other payables</b>	<u>51,617</u>	<u>37,630</u>

**NOTE 11. PROVISIONS**

	Total 2010 \$	Total 2009 \$
<b>CURRENT</b>		
Annual leave	29,032	22,766
Long service leave	16,339	14,300
<b>Total current employee entitlements</b>	<u>45,371</u>	<u>37,066</u>
<b>NON-CURRENT</b>		
Annual leave	9,812	7,691
Long service leave	3,477	1,529
<b>Total non-current employee entitlements</b>	<u>13,289</u>	<u>9,220</u>

All annual leave and unconditional vested long service leave representing 7+ years of continuous service is:

- a) disclosed in accordance with AASB 101, as a current liability even where the agency does not expect to settle the liability within 12 months as it will not have the unconditional right to defer the settlement of the entitlement should an employee request to take the leave within 12 months;
- b) measured at:
  - nominal value under AASB 119 where a component of this current liability is expected to fall due within 12 months after the end of the period; and
  - present value under AASB 119 where the entity does not expect to settle a component of this current liability within 12 months.

Long Service Leave representing less than 7 years of continuous service is:

- a) disclosed in accordance with AASB 101 as a non-current liability; and
- b) measured at present value under AASB 119 as the entity does not expect to settle this non-current liability within 12 months.

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

**NOTE 12. RETAINED EARNINGS**

	Total 2010 \$	Total 2009 \$
Retained earnings at the beginning of the financial year	48,462	35,466
Net profit	<u>20,651</u>	<u>12,996</u>
<b>Retained earnings at the end of the financial year</b>	<u><u>69,113</u></u>	<u><u>48,462</u></u>

**NOTE 13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent assets or liabilities at 30th June 2010.

**NOTE 14. CAPITAL COMMITMENTS**

In September 2010 the franchise fee for the Foster branch of \$50,000 is due and payable. This payment is required as the Foster operation moves from being a sub-branch of Toora to an independent branch.

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

**NOTE 15. CASH FLOW INFORMATION**

**(a) Reconciliation of Cash**

Cash at the end of the financial year as shown in the statements of cash flows reconciled to the related items in the balance sheet as follows:

	<b>Total 2010 \$</b>	<b>Total 2009 \$</b>
Cash at bank	126,587	108,685
Petty cash	95	61
Term deposit	25,667	24,744
Bank overdrafts	<u>(155,390)</u>	<u>(177,808)</u>
	<u><b>(3,041)</b></u>	<u><b>(44,318)</b></u>

**(b) Reconciliation of cash flow from operations with profit from ordinary activities**

	<b>Total 2010 \$</b>	<b>Total 2009 \$</b>
Profit after income tax	20,651	12,996
<b>Non-cash flows in profit</b>		
Borrowing cost write off	53	53
Depreciation and amortisation	20,720	25,893
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in receivables	(7,188)	(7,227)
(Increase)/decrease in prepayments	2,500	2,500
Increase/(decrease) in payables	13,987	2,175
Increase/(decrease) in provisions	12,374	1,959
Increase/(decrease) in income taxes payable	687	22,290
(Increase)/decrease in deferred taxes payable	780	(1,775)
<b>Cash flows from operations</b>	<u><b>64,564</b></u>	<u><b>58,864</b></u>

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

**NOTE 16. FINANCIAL INSTRUMENTS**

**(a) Interest rate risk**

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average		Floating Interest		Fixed Interest Rate Maturing				Non-interest	
	Effective Interest Rate		Rate		Within 1 year		1 to 5 years		Bearing	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>										
Cash & Cash Equivalents	6.50	6.50	126,587	108,685	12,163	12,163	-	-	13,177	12,643
Receivables	-	-	-	-	-	-	-	-	65,325	58,769
<b>Total Financial Assets</b>			<b>126,587</b>	<b>108,685</b>	<b>12,163</b>	<b>12,163</b>	<b>-</b>	<b>-</b>	<b>78,502</b>	<b>71,412</b>
<b>Financial Liabilities</b>										
Bank Overdraft Secured	0.00	0.00	-	-	-	-	-	-	155,390	155,390
Bank Overdraft Unsecured	0.00	0.00	-	22,419	-	-	-	-	-	-
Bank Loan (building)	8.34	8.55	-	-	4,622	4,243	24,148	28,672	-	-
Bank Loan (fit out)	8.99	12.45	-	-	12,562	11,427	20,959	33,559	-	-
Chattel Mortgage	9.84	9.84	-	-	5,939	5,384	4,294	10,233	-	-
<b>Total Financial Liabilities</b>			<b>-</b>	<b>22,419</b>	<b>23,123</b>	<b>21,054</b>	<b>49,401</b>	<b>72,464</b>	<b>155,390</b>	<b>155,390</b>

Supporters of the company have made contributions totalling \$155,390 as at 30th June, 2010 (\$155,390 - 2009)

The Bendigo Bank holds these contributions as security for the Company's overdraft.

**NOTE 17. SUPERANNUATION**

- (i) The company contributes to the employees' chosen superannuation fund as required under the Choice of Fund legislation;
- (ii) The amount of total contributions made by the Company during the financial year to these Superannuation Funds was as follows:

	<b>Total</b>	<b>Total</b>
	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Spectrum Super	-	22,835
The Bendigo Superannuation Plan	35,845	3,847
Hostplus	-	950
Vic Super	2,081	2,441
Officers' Superannuation Fund (OSF)	-	1,025
	<u>37,926</u>	<u>31,098</u>

- (iii) No contributions are outstanding in respect of the financial year;
- (iv) Contributions are paid in accordance with the Superannuation Guarantee Scheme.

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2010**

**NOTE 18. RELATED PARTY DISCLOSURES**

	Total 2010 \$	Total 2009 \$
<b>Responsible Persons</b>		

The Members of the Board during the year were:

Mrs. Irene Spooner  
Mr. Llewelyn Vale  
Mr. Clive White  
Mr. David Roberts  
Mr. Bruce Beatson  
Mr. Peter Tilley  
Mr. Allen Van Kuyk  
Mr. Neville Buckland  
Mrs. Irmela McIntyre  
Mr. Robert Liley

**Executive Officer Remuneration**

The number of Executive Officers whose total remuneration exceeded \$100,000 amounted to:

Nil	Nil
-----	-----

**Transactions with Responsible Persons and their Related Parties**

Mr P. Tilley is an accountant of Duesburys Gippsland and a member of the Board. His firm receives remuneration for accountancy services provided to the Community Bank and not for his role on the Board.

The total amount paid to Duesburys Gippsland for the year ended 30<sup>th</sup> June, 2010 was \$16,269.

There were no other transactions with responsible persons or their related parties.

**NOTE 19. COMPANY DETAILS**

*The registered office of the company is:*  
Promontory District Finance Group Limited  
48 Stanley Street  
Toora Vic 3962

*The principal place of business is:*  
Promontory District Finance Group Limited  
48 Stanley Street  
Toora Vic 3962

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
**ABN 69 085 537 328**

**DIRECTORS DECLARATION**

The directors of the company declare that:

In the directors' opinion there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.

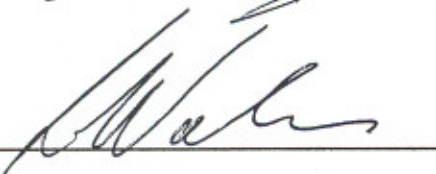
In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, and:

- (a) comply with Accounting Standards and the Corporations Regulations 2001; and
- (b) give a true and fair view of the financial position as at 30th June 2010 and of the performance for the year ended on that date of the company.

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



Chairperson



Director

Dated the 24<sup>th</sup> day of August, 2010

Foster, Victoria.

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
**ABN 69 085 537 328**

**AUDITOR'S INDEPENDENCE DECLARATION**

I declare that, to the best of my knowledge and belief, during the financial year ended 30th June 2010 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.



**BARRY J. HUGHES**  
**CARDELL ASSURANCE & AUDIT**

**3A Billson Street**  
**Wonthaggi, VIC 3995**

24th August 2010