

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

**TOORA & DISTRICT COMMUNITY
BANK[®] BRANCH**
and
FOSTER BRANCH



2011
Annual Report
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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Chairman's Report

The 2010 – 11 financial year has seen many changes at Promontory District Finance Group, the biggest of which is the growth in our book which stands at \$99.6million up from \$86.2million. Full credit to John and the staff for this performance, which Region has informed us, is the best result in Gippsland.

On the staff front we have lost Karen Dorling and Amanda Littlejohn from our team this year and wish them all the best in their future pursuits. With the departure of Karen as the second lending officer this gave the board the opportunity to reassess the future staffing needs of the operation and the decision was made to appoint a new manager for Foster and as such we welcome Allison Dury to the team along with new Customer Service Officer's Tara Hollier and Terri Bohn. Your board also decided to appoint an administration assistant to cover the increased workload in marketing and board minutes and we welcome Lee-Anne Van Dyke to this position.

Upgrades at Foster branch saw anti jump screens installed and upgrades to the Toora branch are planned including security and staff amenities.

On the down side revenues were affected by the 'restoring the balance' commencing in April, which saw some of our income removed as a consequence of margins on some products reducing in the wake of the Global Financial Crisis. Please note that this income was over what we were entitled to in the franchise agreement, so even though the reduction was disappointing, it was fair.

In spite of this, profit for the year was \$81,015 up from \$20,651.

Once again our grants program supported many outstanding causes over a wide cross section of our community and was very thankfully received by all recipients.

Allen Van Kuyk
Chairman



BRUCE BEATSON – Board Member

Bruce has farmed in the Promontory District for 45 years and is married with three children. He and his wife Catherine farm beef cattle and alpacas and Bruce also sells cars in Corner Inlet for Turnbull Toyota, Gippsland.

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. To this end he has been actively involved in a number of community groups.

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-six 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.

THE BRANCH STAFF

John Stone – Branch Manager, Toora



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.



Allison Drury – Branch Manager, Foster

Allison has been with Bendigo Bank since 2000 when she commenced as a part time CSO at Korumburra Branch. She has also worked at Inverloch & District Community Bank® and Leongatha Business Banking prior to being appointed at Foster branch in May this year.

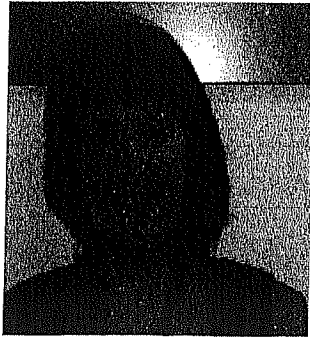
Allison lives in Leongatha with her husband Richard and two teenage sons; but only until they get around to building their new home in Meenyan. Allison enjoys reading, fishing and going for drives to explore the local area. She is current Treasurer of the Leongatha Angling Club.

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.



Terri Bohn – Customer Service Officer

Terri opted for a career change from Property Management and joined the Bank in April, 2011. She has had previous experience in the Banking Industry working with ANZ several years ago. Terri has been actively involved in the Community through school and sporting venues and is currently Treasurer of the Corner Inlet Motorcycle Club.

Terri lives in Foster with her husband Peter and has 4 children; Monique 20, Ashlee 18, Kieran 14 and Yasmin 12. Monique is working at Department of Treasury & Finance in Melbourne. Ashlee works locally as an apprentice Baker/Pastry Chef. Kieran is in Year 8 at South Gippsland Secondary College and Yasmin is in her last year of primary school at Foster. Terri enjoys spending time with family, camping and socialising with friends.

Tara Hollier- Customer Service Officer

Tara joined the bank in April 2011 following a decision to have a career change. She has come from a medical background with a degree in Medical Radiations Science- Nuclear Medicine. Tara is actively involved in local sporting groups having previously been President of Toora Netball Club, in addition to playing and umpiring, and is currently Secretary of Toora Football Club.



Tara has lived almost all her life in Toora, with the exception of studying at University and a three year stint working in London and travelling the UK and Europe. She currently lives in Toora with her husband Pete and daughters Schylar 10, Ella 2 and Tess 10 months. Tara enjoys being with her family, a good book and great food and wine.

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 left during the year and we thank her for her contribution and wish her all the best for the future.



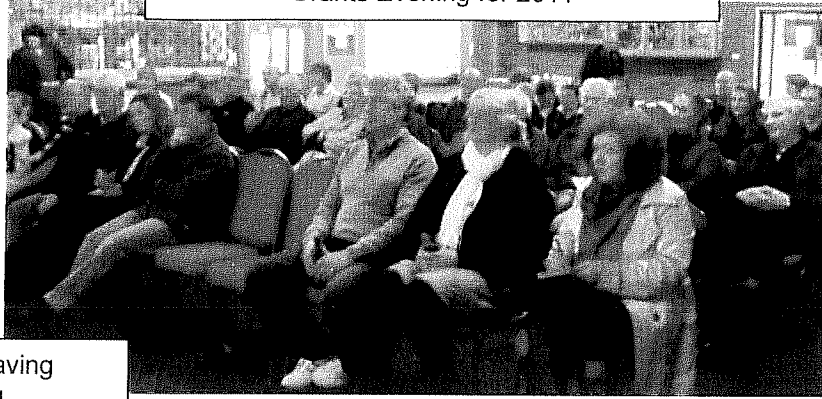
Amanda Littlejohn- Customer Service Officer

Amanda joined the bank in mid June 2010, after previous employment at the Royal Standard Hotel in Toora. Amanda has now returned to her home in Mirboo North. We wish Amanda success in the future.



Grants and Sponsorship Presentation Evening 2011

Fish Creek Football & Netball Club Social Rooms was the venue for presentation of the Grants Evening for 2011



Waratah Surf Life Saving Club Members being presented with their Challenge Grant of \$3,000 towards a new boat motor by Anne Palmer & Allison Drury.



Allen Van Kuyk & Trudy Heiser present Corner Inlet Pony Club members Sponsorship of \$3,000 towards the upgrade of kitchen facilities.



Toora Tennis Clubs Rachael Brown, receiving Sponsorship Grant of \$2,200 for lighting. Presented by Allison Drury & Michelle Walker.



Ernie Kayser & Tony Hurst were presented with a Community Enterprise Foundation Grant of \$2,545 towards Foster Men's Shed.

This activity has assisted the company in achieving its objectives by enabling it to:

- provide full banking services to the community
- make grants to the community of \$50,000 (\$71,365 in 2010)

Performance Measures

The company measures performance through the establishment of an annual budget:

- to review performance against budget
- to monitor the growth of banking products provided to the customer
- to assess control over the company's income and costs
- to monitor its annual grant program

The performance against these key performance indicators is as follows:

	2011		2010	
	Budget	Actual	Budget	Actual
Total Banking Book	85.6M	95.5M	75.7M	79.2M
Total Revenues	729,326	781,839	626,186	683,508
Total Expenses	610,812	665,397	586,303	653,654
Net Profit	118,514	81,014	37,883	20,651
Grants & Sponsorships	39,200	63,396	70,400	83,005

COMMITTEES OF THE BOARD

Audit & Finance Committee

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

Corporate Governance Committee

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

Marketing Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
David Roberts	6	3
Neville Buckland	6	5
Irene Spooner	6	2
Bruce Beatson	6	2
Llewelyn Vale	6	6

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

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2011

	Note	Total 2011 \$	Total 2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	254,868	152,349
Trade and other receivables	6	78,629	66,894
TOTAL CURRENT ASSETS		<u>333,497</u>	<u>219,243</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	136,061	146,189
Deferred tax assets	4	21,490	27,044
Intangible assets	8	28,140	23,147
TOTAL NON-CURRENT ASSETS		<u>185,691</u>	<u>196,380</u>
TOTAL ASSETS		<u>519,188</u>	<u>415,623</u>
CURRENT LIABILITIES			
Trade and other payables	10	44,114	51,617
Short-term borrowings	9	23,332	23,123
Current tax liabilities	4	23,402	8,319
Short-term provisions	11	47,973	45,371
TOTAL CURRENT LIABILITIES		<u>138,821</u>	<u>128,430</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	9	217,556	204,791
Long-term provisions	11	12,683	13,289
TOTAL NON-CURRENT LIABILITIES		<u>230,239</u>	<u>218,080</u>
TOTAL LIABILITIES		<u>369,060</u>	<u>346,510</u>
NET ASSETS		<u>150,128</u>	<u>69,113</u>
EQUITY			
Retained earnings	12	150,128	69,113
TOTAL EQUITY		<u>150,128</u>	<u>69,113</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 CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2011

	Note	Total 2011 \$ Inflows/ (Outflows)	Total 2010 \$ Inflows/ (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Bendigo Bank		836,811	737,312
Receipts from telco commission		1,737	1,745
Interest received		8,866	5,107
Payments to suppliers and employees		(720,716)	(655,587)
Finance costs		(16,943)	(16,216)
Income tax refund (paid)		(14,790)	(7,796)
Net cash provided by (used in) operating activities	15(b)	<u>94,965</u>	<u>64,565</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for investments		-	-
Purchase of property, plant and equipment		(5,420)	(2,291)
Net cash provided by (used in) investing activities		<u>(5,420)</u>	<u>(2,291)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(23,042)	(20,996)
Net cash provided by (used in) financing activities		<u>(23,042)</u>	<u>(20,996)</u>
Net increase in cash held		66,503	41,278
Cash at beginning of year		(3,041)	(44,319)
Cash at end of year	15(a)	<u><u>63,462</u></u>	<u><u>(3,041)</u></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 2011

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 $\frac{1}{3}$ years
Improvements	40 years
Motor Vehicle	7 – 8 years

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011**

k) **Donations**

Donations are recognised as revenue when cash is received.

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.

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, 2011

NOTE 2. REVENUE

	Total 2011 \$	Total 2010 \$
Operating activities		
Franchise margin income	440,219	353,140
Commercial loan income	12,601	6,043
Commission income	204,318	209,703
Leasing/hire purchase income	4,087	4,039
Market development fund	50,000	50,417
Fee income	58,379	52,741
Telco commission	1,737	1,745
Interest	10,498	5,680
Total revenue	<u>781,839</u>	<u>683,508</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, 2011

NOTE 4. INCOME TAX

	Total 2011 \$	Total 2010 \$
a) Major components of income tax expense:		
Current tax expense	29,874	8,463
Deferred tax expense (revenue) from origination of temporary differences	5,553	779
Prior year adjustment	-	(39)
Total tax expense / (income)	35,427	9,203
b) The prima facie income tax on profit from ordinary activities is reconciled to the income tax expense as follows:		
Profit from ordinary activities	116,442	29,854
Prima facie tax payable on profit from ordinary activities before income tax at 30%	34,933	8,956
Add:		
Tax effect of:		
Non-deductible expenses	496	286
Prior year adjustment	-	(39)
	35,429	9,203
c) Deferred tax assets and liabilities for each type of temporary difference		
The following items have given rise to deferred tax liabilities:		
Accrued Interest	942	453
Motor Vehicle	1,110	1,251
Prepayment	2,864	750
Improvements	27	29
Total deferred tax liability	4,943	2,483
The following items have given rise to deferred tax assets:		
Furniture and fittings	8,237	9,144
Accrued Wages	0	2,785
Annual leave	11,634	11,653
Long service leave	6,562	5,945
Total deferred tax assets	26,433	29,527
Offset of deferred tax liability against asset	4,943	2,483
Net deferred tax asset	21,490	27,044
d) Current Tax Liabilities/(Assets):		
Current Tax Expense	29,874	8,463
Less:		
PAYG Income Tax Instalments Paid	6,472	144
Current Tax Liabilities/(Assets)	23,402	8,319

PROMONTORY DISTRICT FINANCE GROUP LTD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2011

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	36,632	66,446	15,587	146,189
Additions	-	-	5,420	-	5,420
Disposals	-	-	-	-	-
Depreciation expense	-	(1,219)	(10,432)	(3,897)	(15,548)
Carrying amount at end of year	27,524	35,413	61,434	11,690	136,061

NOTE 8. INTANGIBLE ASSETS

	Total 2011 \$	Total 2010 \$
Goodwill at cost (agency buyout)	13,362	13,362
Borrowing Costs	76	129
Training prepayment	9,546	2,500
Set up costs	20,000	20,000
Less accumulated amortisation	(20,000)	(20,000)
Franchise fee	10,000	10,000
Less accumulated amortisation	(4,844)	(2,844)
Total intangible assets	28,140	23,147

PROMONTORY DISTRICT FINANCE GROUP LTD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2011

NOTE 10. TRADE AND OTHER PAYABLES

	Total 2011	Total 2010
	\$	\$
CURRENT		
GST payable	14,346	9,740
Accrued wages	-	9,284
Trade payables	26,613	21,134
PAYG withholding payable	3,155	11,459
Total trade and other payables	<u>44,114</u>	<u>51,617</u>

NOTE 11. PROVISIONS

	Total 2011	Total 2010
	\$	\$
CURRENT		
Annual leave	28,859	29,032
Long service leave	19,114	16,339
Total current employee entitlements	<u>47,973</u>	<u>45,371</u>
NON-CURRENT		
Annual leave	9,922	9,812
Long service leave	2,761	3,477
Total non-current employee entitlements	<u>12,683</u>	<u>13,289</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 company 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
- 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, 2011

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:

	Total 2011 \$	Total 2010 \$
Cash at bank	226,322	126,587
Petty cash	129	95
Term deposit	28,417	25,667
Bank overdrafts	(191,406)	(155,390)
	63,462	(3,041)

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

	Total 2011 \$	Total 2010 \$
Profit after income tax	81,015	20,651
Non-cash flows in profit		
Borrowing cost write off	53	53
Depreciation and amortisation	17,548	20,720
Changes in assets and liabilities		
(Increase)/decrease in receivables	(11,735)	(7,188)
(Increase)/decrease in prepayments	(7,045)	2,500
Increase/(decrease) in payables	(7,503)	13,987
Increase/(decrease) in provisions	1,996	12,374
Increase/(decrease) in income taxes payable	15,084	687
(Increase)/decrease in deferred taxes payable	5,553	780
Cash flows from operations	94,966	64,564

PROMONTORY DISTRICT FINANCE GROUP LTD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2011

NOTE 18. RELATED PARTY DISCLOSURES

	Total 2011 \$	Total 2010 \$
Responsible Persons		

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
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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 30th June, 2011 was \$14,190.

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

AUDITOR'S INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the financial year ended 30th June 2011 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 2011

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

INDEPENDENT AUDITOR'S REPORT (Cont'd)

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 Promontory District Finance Group Ltd, would be in the same terms if given to the directors as at the time of the auditor's report.

Opinion

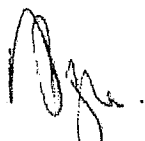
In our opinion:

the financial report of Promontory District Finance Group Ltd is in accordance with the *Corporations Act 2001*, including:

giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



BARRY J. HUGHES
CARDELL ASSURANCE & AUDIT

3A BILLSON STREET
WONTHAGGI, VIC 3995

31st August 2011