

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

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



**2012  
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 Assurance & Audit  
3a Billson Street  
Wonthaggi Vic 3995

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**Front Cover:**

**Prom Country Aged Care Committee representatives receiving their cheque for \$30,000 at the 2012 Grants Night.**

**From Left: Llew Vale, Chair of Grants Committee, Sandy Bucello, Chair of PCAC, Claire Schmierer , CEO, PCAC and Julie Need, Chair of the Building Fund Raising Committee.**

**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

The past year has been one of great change at your local community bank. The most significant and beneficial of these was the tax office ruling that the Toora Branch qualifies as a not for profit enterprise. This has resulted in the refund \$68,973.00 in taxes previously paid by the company. This helped push the net profit from \$81,015.00 last year to \$261,611.00 this financial year.

From an operational viewpoint this was the first full year of having a manager in charge of each branch. We welcomed Allison Drury to the team as Foster Manager. Later in the year, we unfortunately received a letter of resignation from our long term Manager John Stone. John gave eleven years of commendable service to the local community as bank manager. We thank him for all his efforts and wish both John and Noela all our best in their new endeavours at Waratah Bay Caravan Park. After some searching we appointed Donna Bowler to the position of branch Manager at Toora Branch.

During the year the Board accepted a tender from Considine and Johnson to upgrade the staff amenities and security at our Toora Branch. The Board is also assisting a local business in Meeniyah to reopen an agency in that town. The business generated by this agency sits on our books and helps grow our business. Both these expansions will commence in the new financial year.

Our annual grants night was once again well attended with your company continuing its tradition of supporting many fantastic local projects.

On behalf of the board I would like to thank all our staff for their sterling performance this year in delivering such a strong profit in an increasingly difficult environment and to Lee-Anne Van Dyke for her work as administration assistant to the board. I would also like to thank our contributors whose foresight has given us such a valuable community asset as well as our customers for their continued support of our business.

Finally on a personal note, I would like to thank the Board for their volunteer work in overseeing the operation of the business and for being such a support to me as Chairman.

Yours Truly

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.

### **ROBERT LILEY – Deputy Chair**

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.



### **LLEWELYN VALE, OAM**

Llew was a foundation Director and inaugural Company Secretary of Promontory District Finance Group. He was Chairman from 2000-2007 and is currently Chair of the Marketing Committee, Llew is one of the Bendigo and Adelaide Bank's senior mentors as well as a member of the Community Bank Strategic Advisory Board. He is also Chair of Goulburn Murray Water the State's biggest Water Authority.



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

Irmela with her husband Graham moved to South Gippsland almost 18 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 honor 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 News Agency and have a vested interest in the continued evolvment 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.

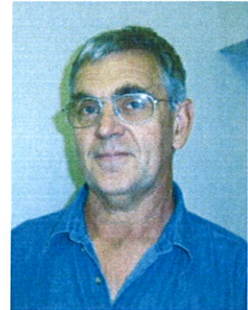


#### **NEVILLE BUCKLAND – Board Member**

Neville has completed his tenth 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 46 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.



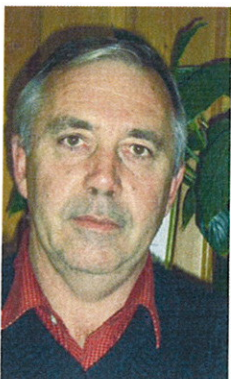
#### **DAVID ROBERTS – Board Member**

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-seven years and has been heavily involved in community activities. Clive believes strongly in the enhancement of the environment and economy of the area.

# **Allison Drury**

## **Manager's Report.**

For year ending 30 June 2012

My first year as manager at Foster branch has seen a number of changes, the most significant of which was the resignation of long term manager John Stone. I would like to take this opportunity to thank John for his warm welcome when I came on board and for the support and encouragement he gave during our short time working together.

I would also like to thank the many individuals and community groups that have welcomed me so warmly and I look forward to deepening those relationships during the next year so we can work together to make the local community a better place.

The 2011-12 financial year has seen good growth for Toora & Foster branches with our total book growing to a combined \$104.8million, up from \$99.6million at the same time last year. It was quite exciting to see us finally achieve and then surpass the \$1million mark during the year. Overall deposit growth for the year was a reasonable 2.9% and our loan growth was an exciting 10.3% showing ongoing support from our local customers.

An ongoing focus for the coming year will be to grow our lending book further and to focus on supporting our local business owners with their business and rural banking needs. There will be challenges with a softening in lending demand as people try to cut their spending and save more; however as the relationships between our two branches and our local community continue to grow, I can only see positive ongoing results for our community company.

I would like to thank our dedicated and enthusiastic staff who continues to provide a high level of service to all of our customers in a friendly environment. Sandra, Anne, Michelle, Trudy, Terri & Tara were joined by Wendy Watkins during the year after the resignation of Antoinette Moar. I'd like to acknowledge Antoinette for her valuable contribution while she was with us and welcome Wendy to our staff. We certainly couldn't achieve our goals without the commitment and professionalism of our wonderful team.

We also welcome to our team Donna Bowler the new Branch Manager for Toora branch. I look forward to working closely with Donna to provide a committed local banking service to the Toora & Foster district and to continue our support of the various Clubs, Committees and Groups that do so much within our Community.

Finally I would like to thank the Board of Promontory District Finance Group for their support and for their ongoing dedication to providing a local banking service to their local community.

**Allison Drury**  
**Branch Manager**



## THE BRANCH STAFF

### 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

last 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 Meeniyah. Allison enjoys reading, fishing and going for drives to explore the local area. She is currently the Treasurer of the Leongatha Angling Club.

### Sandra Faragher – Branch Supervisor, Foster

Sandra has been with Prom District Finance Group for nearly 11 years and is looking for somewhere exotic to go for her long service leave. Sandra enjoys horse riding, reading, camping, and photography and also going to the cinema.

She has two girls, Stacey 21, has completed her hospitality training and is currently an apprentice chef at Seaford RSL and Tayla 15, who is in Year. She and husband Rick have a small beef farm that keeps her occupied.



### Anne Palmer - Branch Supervisor, Toora



Anne has had over 25 years banking experience, previously working at 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. Anne supports her sons in their sporting interests. She enjoys keeping active and spending time with family and friends.

### Trudy Heiser - Customer Service Officer



Trudy, who has been with the Bank for 5 years, enjoys catching up with friends, walking and searching for great wines from little independent wineries to share while socialising.

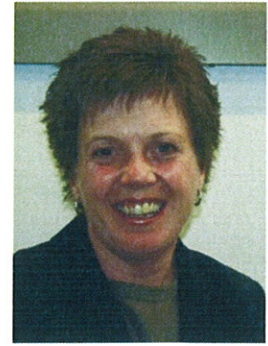
Trudy lives at Yanakie with her husband David on their dairy farm and they are currently building a new home just out of Foster. Trudy has 3 children, Cassie 26 who has just completed her Law Degree, Demi, 24 who is a nurse at the Children's Hospital and Justin, 22, who has just finished a traineeship at Crown Casino.



### **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 Recreation Reserve and the Toora Netball Club, with two years as President. She enjoys time relaxing with her family and friends and travelling.



### **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 21, Ashlee 19, Kieran 15 and Yasmin 13. Monique is working as a croupier at Crown Casino in Melbourne. Ashlee is currently enrolled in an Aged Care Course at GippsTafe and lives locally with her fiancé, Jac. . Kieran is in Year 9 at South Gippsland Secondary College and Yasmin is in her first year at South Gippsland Secondary College. Terri enjoys spending time with family, camping and socialising with friends.

### **Tara Hollier- Customer Service Officer**

Tara has been with the Bank now for 18 months 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 netball, she 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 11, Ella 3 and Tess 1. Tara enjoys being with her family, a good book and great food and wine.



Looking into the future the Directors and Branch staff would like to welcome Donna Bowler as the newly appointed Branch Manager for Toora.

Donna will take up her new position from 9<sup>th</sup> July 2012.

## Welcome

**Donna Bowler- Branch Manager  
Toora Branch  
Commencing July 2012**



Donna is married to Andrew and has four children Jacob 17, Jordan 14, Zachary 10 and Harrison 7. Donna has recently made the "Tree-Change" to South Gippsland coming from Hoppers Crossing in the Western Suburbs of Melbourne.

Donna has been with Bendigo Bank for a short time commencing as a Customer Relationship Manager at Laverton branch before being successful in obtaining the role as Branch Manager of the Toora Branch.

Prior to working for Bendigo, Donna spent five years working for Commonwealth Bank.

Donna looks forward to forging some strong connections between herself and the local community and immersing herself in the Toora and Foster area. She has played Netball throughout her life and looks forward to being involved with a team next season.

# Community Grants Program

The 2012 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. The Directors again added some additional money to the program in order to spread the benefit of the Grants Program widely across our district. They also distributed further money as sponsorships to worthwhile projects which did not meet the prerequisites for a community grant.

The presentations were held at the Welshpool Hall. 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.

## 2012 GRANTS PROGRAM

### Community Enterprise Foundation Grants

<b>ORGANISATION</b>	<b>PROJECT</b>	<b>GRANT</b>
Friends of the Prom	Storm & Flood damaged materials	\$4,500.00
South Coast Board Riders Club	Lessons with Bones Summer Sessions	\$1,354.00
Mt. Best Community Hall	Audio Visual Equipment	\$1,700.00
Foster Primary School	Kitchen Garden	\$3,000.00
Foster War Memorial Hall	Portable Tables	\$2,300.00
Meeniyan Progress Association	BBQ Shelter, Tanderra Park	\$3,550.00
Friends of Toora Pear Orchard	Amenities	\$1,500.00
Toora RSL Sub Branch	Toora RSL Upgrade	\$2,120.00
Pt. Welshpool Coast Guard	Pt. Welshpool Coast Guard Pavilion	\$5,000.00
Meeniyan Mechanics Institute	Meeniyan Hall rewiring	\$3,000.00
Prom Coast U3A	Computer Courses	\$1,800.00
Prom Country Aged Care	Aged Care Facility	\$33,000.00

### Challenge Grants

<b>ORGANISATION</b>	<b>PROJECT</b>	<b>GRANT</b>
South Gippsland Hospital	Youth & Adolescent Clinic	\$6,000.00

### Sponsorships

<b>ORGANISATION</b>	<b>PROJECT</b>	<b>GRANT</b>
T P Taylor Reserve COM	Honour Wall for Donors	\$3,500.00
Gippsland MTB Inc.	Establishing Mountain Bike track	\$4,500.00
Toora Community Hall & Library	Floor Refurbishment	\$4,000.00
Foster Bowling Club	Repainting Club Rooms	\$2,000.00
Fish Creek Tennis Club	Court Redevelopment	\$4,000.00
Foster Uniting Church	Painting & Repairs	\$1,000.00
Toora Uniting Church	Tree Removal	\$1,000.00

### Scholarship Program

Dylan Williams	Tertiary Scholarship	\$5,000.00
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## Youth Assist Clinic Foster

February 6<sup>th</sup> 2012 saw the opening of an important Community Bank funded project, the Youth Assist Clinic (YAC), in the township of Foster.

This health clinic was established by South Gippsland Hospital (SGH) to address the unmet health needs of local young people. With a significant challenge grant from the Toora and District Community Bank in 2011, SGH worked to set up the YAC clinic to meet the specific requirements of young people accessing healthcare.

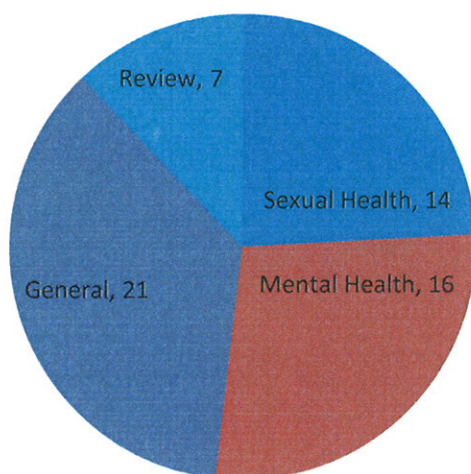
The clinic now operates every Monday from 12.30 to 4.30 pm with an adolescent health nurse and local GP. YAC is confidential, accessible and discrete, provides adolescent specific mental, emotional, sexual and general health information and offers early intervention.

The project has been a collaborative effort and demonstrates the Corner Inlet community's strength in valuing young people's health and well being.

Since its opening in February, the clinic has seen nearly 60 presentations from local adolescents. Other than general health concerns (colds etc), the most frequently accessed information or advice is that regarding sexual or mental health issues (see data below).

Further funding this year from the Toora and District Community Bank will enable the clinic to continue to provide this important service. For further information please contact Samantha Park, Manager Community Health, South Gippsland Hospital, [samantha.park@sghs.com.au](mailto:samantha.park@sghs.com.au)

Reason for visit to the Foster Youth Assist Clinic Feb-May 2012



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

**DIRECTORS' REPORT**

Your directors present this report to the members of the Promontory District Finance Group Ltd (the company) for the year ended 30<sup>th</sup> June 2012.

**Directors**

The names of each person who has been a director during the year and to the date of this report are:

DIRECTORS NAME	Years on Board	MEETINGS	
		Number Eligible To Attend	Number Attended
Allen Van Kuyk (Chair)	11	12	11
Llewelyn Vale	13	12	4
Irene Spooner	13	12	10
David Roberts	13	12	12
Bruce Beatson	13	12	9
Clive White	13	12	4
Peter Tilley	13	12	11
Irmela McIntyre	10	12	10
Neville Buckland	10	12	9
Robert Liley	5	12	10

Details of directors' qualifications, experience and special responsibilities are set out below and also in the Committee's details.

**Short- and long-term objectives and strategy**

The company's short- and long-term objectives are to:

- provide a banking service in Toora and Foster and their surrounds
- provide funding for community organisations and activities

The company's strategy for achieving these objectives includes:

- provision of customer driven banking branches in Toora and Foster
- holding annual grant allocation programs
- having a strong involvement with the community

**Principal Activities**

The company's principal activity during the year was to manage the Toora Community Bank as a franchise of the Bendigo Bank as well as running the Foster Branch

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

- provide full banking services to the community
- make grants and sponsorships to the community of \$135,179 (\$63,396 in 2011)

**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:

	2012		2011	
	Budget	Actual	Budget	Actual
Total Banking Book	91.8M	97.7M	85.6M	95.5M
Total Revenues	814,771	890,191	729,326	781,839
Total Expenses	688,626	697,553	610,812	665,654
Net Profit	126,145	261,611	118,514	81,015
Grants & Sponsorships	17,200	135,179	39,200	63,396

#### DIRECTORS IN OFFICE as at 30<sup>th</sup> JUNE 2012

DIRECTORS NAME	OCCUPATION	QUALIFICATIONS	EXPERIENCE
Llewelyn Vale	Farmer	Matriculation. Completed AICD Directors Course and annual updates. Also courses in Financial management Risk Management and OH&S	26 years experience in public administration. 12years mentoring community groups in Corporate governance.
Clive White	Solicitor	B.Juris LLB (Monash) Barrister & Solicitor	34 years
Irene Spooner	Newsagent	-	Worked in / Owned variety of retail businesses
David Roberts	Farmer/Stock Agent/Meat Buyer	Public School Form 2 National Service Member of Local Boards & service clubs	Operated livestock transport business. Running own farming business. Buyer for abattoir.
Bruce Beatson	Farmer / Car Salesman	Company Director's Diploma 1993 University of New England NSW	Deputy President United Dairy Farmers of Vic 1985-1987 Director Bonlac Foods 1988-2001
Peter Tilley	Accountant	B.Commerce (Melbourne) Chartered Accountant, Company Auditor	31 years in Public Practice
Allen Van Kuyk	Farmer	Farming Trades Apprenticeship	16 years farming experience
Neville Buckland	Farmer	-	61 years beef & sheep farming and contracting
Irmela McIntyre	Bookkeeper	Associate Diploma of Social Sciences (Community Development)	Public Relations Officer, Bank Teller, Bookkeeper Active participation in numerous community organisations
Robert Liley	Farmer	Dip. Farm Management (Marcus Oldham)	46 years growing own farming business. Volunteering on numerous community committees

## 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
Allen Van Kuyk	2	2

### Corporate Governance Committee

There were no Corporate Governance meetings held between the 1<sup>st</sup> July 2011 and the 30<sup>th</sup> June 2012.

### Marketing Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
David Roberts	4	3
Neville Buckland	4	3
Irene Spooner	4	3
Llewelyn Vale	4	4

### 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
Neville Buckland	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.

### Member's Guarantee

In accordance with the company's constitution, each member is liable to contribute \$10 in the event that the company is wound up. At the 30<sup>th</sup> June 2012 the number of members was 122.

**Auditor's Independence**

The auditors' declaration of independence appears on page 38 and forms part of the Directors' report for the year ended 30<sup>th</sup> June 2012.

**Rounding**

The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and, in accordance with the Class Order, amounts in the financial report and the director's report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with the resolution of the directors made pursuant to s.298(2) of the Corporations Act.

On behalf of the directors:

**Allen Van Kuyk**

Foster, 16 August 2012



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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2012**

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30TH JUNE, 2012**

	Note	Total 2012 \$	Total 2011 \$
<b><i>Revenue from ordinary activities</i></b>	2	890,191	781,839
Employee benefits expense	3	(385,590)	(348,955)
Depreciation and amortisation expense	3	(27,103)	(17,548)
Borrowing costs expense	3	(13,379)	(16,997)
Other expenses from ordinary activities		<u>(271,481)</u>	<u>(281,897)</u>
<b>Profit from ordinary activities before income tax expense</b>		192,638	116,442
Income tax expense	4	(68,973)	35,427
<b>Net profit after income tax expense</b>		<u><b>261,611</b></u>	<u><b>81,015</b></u>
<b>TOTAL CHANGES IN EQUITY</b>		<u><b>261,611</b></u>	<u><b>81,015</b></u>

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

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE, 2012**

	Note	<b>Total 2012 \$</b>	<b>Total 2011 \$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	403,209	254,868
Trade and other receivables	6	89,293	78,629
<b>TOTAL CURRENT ASSETS</b>		<u>492,502</u>	<u>333,497</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	123,696	136,061
Deferred tax assets	4	-	21,490
Intangible assets	8	67,839	28,140
<b>TOTAL NON-CURRENT ASSETS</b>		<u>191,535</u>	<u>185,691</u>
<b>TOTAL ASSETS</b>		<u>684,037</u>	<u>519,188</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	53,839	44,114
Short-term borrowings	9	12,751	23,332
Current tax liabilities	4	-	23,402
Short-term provisions	11	25,231	47,973
<b>TOTAL CURRENT LIABILITIES</b>		<u>91,821</u>	<u>138,821</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	9	169,200	217,556
Long-term provisions	11	11,277	12,683
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>180,477</u>	<u>230,239</u>
<b>TOTAL LIABILITIES</b>		<u>272,298</u>	<u>369,060</u>
<b>NET ASSETS</b>		<u>411,739</u>	<u>150,128</u>
<b>EQUITY</b>			
Retained earnings	12	411,739	150,128
<b>TOTAL EQUITY</b>		<u>411,739</u>	<u>150,128</u>
Contingent Liabilities and Contingent Assets	13	-	-
Capital Commitments	14	-	-

*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, 2012**

	<b>Retained Earnings \$</b>
<b>Balance at 30 June 2010</b>	69,113
Profit	81,015
<b>Balance at 30 June 2011</b>	<u>150,128</u>
Profit	261,611
<b>Balance at 30 June 2012</b>	<u><u>411,739</u></u>

*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, 2012**

	Note	Total 2012 \$ Inflows/ (Outflows)	Total 2011 \$ Inflows/ (Outflows)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Bendigo Bank		938,666	836,811
Receipts from telco commission		1,623	1,737
Interest received		25,609	8,866
Payments to suppliers and employees		(751,801)	(720,716)
Finance costs		(13,326)	(16,943)
Income tax refund (paid)		67,062	(14,790)
<b>Net cash provided by (used in) operating activities</b>	15(b)	<u>267,833</u>	<u>94,965</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of investments		(60,000)	-
Purchase of property, plant and equipment		(554)	(5,420)
<b>Net cash provided by (used in) investing activities</b>		<u>(60,554)</u>	<u>(5,420)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(22,921)	(23,042)
<b>Net cash provided by (used in) financing activities</b>		<u>(22,921)</u>	<u>(23,042)</u>
<b>Net increase in cash held</b>		184,358	66,503
<b>Cash at beginning of year</b>		63,462	(3,041)
<b>Cash at end of year</b>	15(a)	<u><u>247,820</u></u>	<u><u>63,462</u></u>

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

**PROMONTORY DISTRICT FINANCE GROUP LTD**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

**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. "The company is a not for-profit entity for financial reporting purposes under Australian Accounting Standards."

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**

In anticipation of the result of the Federal Court of The Australian Taxation Office v Wentworth District Capital Ltd ATC 20 – 253 (The Wentworth Case), the entity lodged an objection against past income tax assessments.

On the 31<sup>st</sup> October, 2011 the Deputy Commissioner of Taxation allowed the objection, which resulted in a refund of \$60,590.20 of past income taxes paid. The reason that the Deputy Commissioner gave for this decision was that, in line with the Wentworth case, facilitating the supply of banking services in Toora, where no other banking services are being provided, constituted a Community Service and was therefore exempt from income tax in accordance with section 50 of the Income Tax Assessment Act 1997.

The Deputy Commissioner noted that the Foster branch was not an identical situation to that applying in Wentworth and Toora, as there are other commercial banking operations existing in Foster.

However the Deputy Commissioner concluded that, as the operation in Toora is significantly larger than that in Foster, the Toora operation must constitute the main purpose. Although the Deputy Commissioner didn't say explicitly, the ruling implies that Promontory District Finance Group Ltd will need to revisit its tax status at the stage when Foster fully recovers the losses incurred in establishing its operation.

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**b) Property, Plant & Equipment**

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

**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

**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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

**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 it is earned. 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 2012**

**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. It is then amortised over twenty years. Goodwill is also tested annually for impairment and is carried at cost less accumulated amortisation and 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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

**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)**

The company has traditionally funded its annual community grant program via contributions to the Community Enterprise Foundation. At the 30<sup>th</sup> June 2012 the balance of the funds held by the CEF in respect of the company was \$72,131. (\$149,713 at the 30<sup>th</sup> June 2011).

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2012**

**NOTE 2. REVENUE**

	<b>Total 2012 \$</b>	<b>Total 2011 \$</b>
<b>Operating activities</b>		
Franchise margin income	506,913	440,219
Commercial loan income	15,368	12,601
Commission income	193,824	204,318
Leasing/hire purchase income	3,740	4,087
Market development fund	76,667	50,000
Fee income	65,648	58,379
Telco commission	1,623	1,737
Interest	26,408	10,498
<b>Total revenue</b>	<u><u>890,191</u></u>	<u><u>781,839</u></u>

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

### NOTE 3. PROFIT FROM ORDINARY ACTIVITIES

<i>a) Expenses</i>	<b>Total 2012 \$</b>	<b>Total 2011 \$</b>
<b>Employee benefits expense</b>		
Wages	333,136	297,721
Workcover	1,439	1,033
Superannuation - SG	25,140	28,700
Superannuation - Salary Sacrifice	12,633	17,058
Fringe benefits tax	1,696	1,491
Sundry Seconded Employee Expenses	11,546	2,952
<b>Total employee entitlements</b>	<u>385,590</u>	<u>348,955</u>
<b>Borrowing cost expense</b>		
Building loan interest	1,934	2,324
Fitout loan interest	1,247	2,412
Overdraft interest	583	253
Motor vehicle loan interest	161	745
Contributors interest	9,401	11,210
Borrowing cost write off	53	53
<b>Total borrowing costs</b>	<u>13,379</u>	<u>16,997</u>
<b>Depreciation of non-current assets</b>		
Buildings and improvements	1,219	1,219
Furniture and fittings	8,777	10,432
Motor vehicles	2,923	3,897
<b>Total depreciation</b>	<u>12,919</u>	<u>15,548</u>
<b>Amortisation of non-current assets</b>		
Franchise fee	10,093	2,000
Goodwill	4,091	-
<b>Total amortisation</b>	<u>14,184</u>	<u>2,000</u>
<b>Bad debts written off</b>	<u>476</u>	<u>2,032</u>
<b>Audit fees</b>	<u>3,420</u>	<u>2,301</u>
<b>Rental expense on operating leases</b>		
Computer equipment	10,756	12,894
	<u>10,756</u>	<u>12,894</u>
<b>Contribution to Community Enterprise Charitable Fund</b> (see description below)	<u>0</u>	<u>50,000</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.

# PROMONTORY DISTRICT FINANCE GROUP LTD

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

### NOTE 4. INCOME TAX

	Total 2012 \$	Total 2011 \$
<b>a) Major components of income tax expense:</b>		
Current tax expense	-	29,874
Deferred tax expense (revenue) from origination of temporary differences	-	5,553
Prior year adjustment	(68,973)	-
Total tax expense / (income)	<u>(68,973)</u>	<u>35,427</u>
<b>b) The prima facie income tax on profit from ordinary activities is reconciled to the income tax expense as follows:</b>		
Profit from ordinary activities	192,638	116,442
Prima facie tax payable on profit from ordinary activities before income tax at 30% (0% after 1st June 2011)	-	34,933
Add:		
Tax effect of:		
Non-deductible expenses	755	496
Prior year adjustment	-	-
	<u>755</u>	<u>35,429</u>
<b>c) Deferred tax assets and liabilities for each type of temporary difference</b>		
The following items have given rise to deferred tax liabilities:		
Accrued Interest	-	942
Motor Vehicle	-	1,110
Prepayment	-	2,864
Improvements	-	27
Total deferred tax liability	<u>-</u>	<u>4,943</u>
The following items have given rise to deferred tax assets:		
Furniture and fittings	-	8,237
Accrued Wages	-	-
Annual leave	-	11,634
Long service leave	-	6,562
Total deferred tax assets	<u>-</u>	<u>26,433</u>
Offset of deferred tax liability against asset	-	4,943
Net deferred tax asset	<u>-</u>	<u>21,490</u>
<b>d) Current Tax Liabilities/(Assets):</b>		
Current Tax Expense	-	29,874
Less:		
PAYG Income Tax Instalments Paid	-	6,472
Current Tax Liabilities/(Assets)	<u>-</u>	<u>23,402</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2012**

**NOTE 5. CASH AND CASH EQUIVALENTS**

	<b>Total 2012</b>	<b>Total 2011</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	373,732	226,322
Petty cash	39	129
Term deposit (overdraft security)	15,320	15,082
Term deposit (rent security)	14,118	13,335
	<u>403,209</u>	<u>254,868</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	403,209	254,868
Bank overdrafts	(155,390)	(191,406)
Credit Cards	(149)	-
	<u>247,670</u>	<u>63,462</u>

**NOTE 6. TRADE AND OTHER RECEIVABLES**

	<b>Total 2012</b>	<b>Total 2011</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Accrued interest	3,940	3,141
Income share from Bendigo Bank	85,353	75,488
<b>Total Receivables</b>	<u>89,293</u>	<u>78,629</u>

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

	<b>Total 2012</b>	<b>Total 2011</b>
	<b>\$</b>	<b>\$</b>
Land at cost	<u>27,524</u>	<u>27,524</u>
Buildings and improvements at cost	49,265	48,711
Less accumulated depreciation	<u>(14,517)</u>	<u>(13,298)</u>
	<u>34,748</u>	<u>35,413</u>
Furniture and fittings at cost	166,645	166,645
Less accumulated depreciation	<u>(113,988)</u>	<u>(105,211)</u>
	<u>52,657</u>	<u>61,434</u>
Motor vehicles at cost	29,880	29,880
Less accumulated depreciation	<u>(21,113)</u>	<u>(18,190)</u>
	<u>8,767</u>	<u>11,690</u>
<b>Total property, plant and equipment</b>	<u>123,696</u>	<u>136,061</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2012**

**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	35,413	61,434	11,690	136,061
Additions	-	554	-	-	554
Disposals	-	-	-	-	-
Depreciation expense	-	(1,219)	(8,777)	(2,923)	(12,919)
<b>Carrying amount at end of year</b>	<u>27,524</u>	<u>34,748</u>	<u>52,657</u>	<u>8,767</u>	<u>123,696</u>

**NOTE 8. INTANGIBLE ASSETS**

	Total 2012 \$	Total 2011 \$
Goodwill at cost (agency buyout)	13,362	13,362
Less accumulated amortisation	(4,091)	-
Borrowing Costs	23	76
Training prepayment	-	9,546
Prepaid Expenses	3,482	-
Set up costs	70,000	20,000
Less accumulated amortisation	(26,740)	(20,000)
Franchise fee	20,000	10,000
Less accumulated amortisation	(8,197)	(4,844)
<b>Total intangible assets</b>	<u>67,839</u>	<u>28,140</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**NOTE 9. BORROWINGS**

	Note	<b>Total 2012 \$</b>	<b>Total 2011 \$</b>
<b>CURRENT</b>			
Bank loan secured (building)	16	5,484	5,207
Bank loan secured (fit out)	16	7,267	13,830
Chattel Mortgage	16	-	4,295
<b>Total current</b>		<u>12,751</u>	<u>23,332</u>
<b>NON-CURRENT</b>			
Bank overdraft secured	16	155,390	191,406
Bank loan secured (building)	16	13,810	19,041
Bank loan secured (fit out)	16	-	7,109
Chattel Mortgage	16	-	-
<b>Total non-current</b>		<u>169,200</u>	<u>217,556</u>
<b>a) Total current and non-current secured liabilities:</b>			
Bank overdraft	16	155,390	191,406
Bank loan (building)	16	19,294	24,248
Bank loan (fit out)	16	7,267	20,939
		<u>181,951</u>	<u>236,593</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		34,748	35,413
Contributions from supporters		140,070	140,308
Bank Deposits		15,320	15,082
		<u>217,662</u>	<u>218,327</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, 2012

### NOTE 10. TRADE AND OTHER PAYABLES

	<b>Total 2012</b>	<b>Total 2011</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
GST payable	21,588	14,346
Accrued wages	7,271	-
Credit Card	149	-
Trade payables	22,458	26,613
PAYG withholding payable	2,373	3,155
<b>Total trade and other payables</b>	<u>53,839</u>	<u>44,114</u>

### NOTE 11. PROVISIONS

	<b>Total 2012</b>	<b>Total 2011</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Annual leave	18,044	28,859
Long service leave	7,187	19,114
<b>Total current employee entitlements</b>	<u>25,231</u>	<u>47,973</u>
<b>NON-CURRENT</b>		
Annual leave	6,211	9,922
Long service leave	5,066	2,761
<b>Total non-current employee entitlements</b>	<u>11,277</u>	<u>12,683</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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**NOTE 12. RETAINED EARNINGS**

	<b>Total 2012 \$</b>	<b>Total 2011 \$</b>
Retained earnings at the beginning of the financial year	150,128	69,113
Net profit	<u>261,611</u>	<u>81,015</u>
<b>Retained earnings at the end of the financial year</b>	<u><u>411,739</u></u>	<u><u>150,128</u></u>

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

There were no contingent assets or liabilities at 30th June 2012.

**NOTE 14. CAPITAL COMMITMENTS**

The Company has entered into a contract with the Leongatha builders Considine & Johnson to provide additions to the Toora building. These are expected to be completed by October 2012 at a contracted cost of \$158,363.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2012**

**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 2012 \$</b>	<b>Total 2011 \$</b>
Cash at bank	373,732	226,322
Petty cash	39	129
Term deposit	29,439	28,417
Bank overdrafts	<u>(155,390)</u>	<u>(191,406)</u>
	<b><u>247,820</u></b>	<b><u>63,462</u></b>

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

	<b>Total 2012 \$</b>	<b>Total 2011 \$</b>
Profit after income tax	261,611	81,015
<b>Non-cash flows in profit</b>		
Borrowing cost write off	53	53
Depreciation and amortisation	27,103	17,548
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in receivables	(10,665)	(11,735)
(Increase)/decrease in prepayments	6,064	(7,045)
Increase/(decrease) in payables	9,726	(7,503)
Increase/(decrease) in provisions	(24,148)	1,996
Increase/(decrease) in income taxes payable	(23,402)	15,084
(Increase)/decrease in deferred taxes payable	21,491	5,553
<b>Cash flows from operations</b>	<b><u>267,833</u></b>	<b><u>94,966</u></b>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2012**

**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 Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing				Non-interest Bearing	
	2012	2011	2012	2011	Within 1 year		1 to 5 years		2012	2011
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>										
Cash & Cash Equivalents	6.00	6.00	373,732	226,322	14,118	13,335	-	-	15,320	15,082
Receivables	-	-	-	-	-	-	-	-	85,353	75,488
<b>Total Financial Assets</b>			<b>373,732</b>	<b>226,322</b>	<b>14,118</b>	<b>13,335</b>	-	-	<b>100,673</b>	<b>90,570</b>
<b>Financial Liabilities</b>										
Bank Overdraft Secured	-	-	-	-	-	-	-	-	155,390	155,390
Bank Overdraft Unsecured	-	-	-	-	-	-	-	-	-	-
Bank Loan (building)	8.84	8.34	-	-	5,484	5,207	13,810	19,041	-	-
Bank Loan (fit out)	8.99	8.99	-	-	7,267	13,830	-	7,109	-	-
Chattel Mortgage	9.84	9.84	-	-	-	4,295	-	-	-	-
<b>Total Financial Liabilities</b>			-	-	<b>12,751</b>	<b>23,332</b>	<b>13,810</b>	<b>26,150</b>	<b>155,390</b>	<b>155,390</b>

Supporters of the company have made contributions totalling \$155,390 as at 30th June, 2012 (\$155,390 - 2011)  
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 2012 \$</b>	<b>Total 2011 \$</b>
The Bendigo Superannuation Plan	30,595	35,754
Vic Super	6,585	8,453
Vision Super	594	-
	<u>37,774</u>	<u>44,207</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**  
**ABN 69 085 537 328**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2012**

**NOTE 18. RELATED PARTY DISCLOSURES**

Total 2012 \$	Total 2011 \$
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**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 invoiced by Duesburys Gippsland for the year ended 30<sup>th</sup> June, 2012 was \$17,380.

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*

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**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.

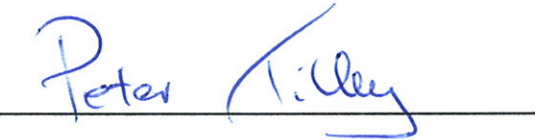
In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, and:

- (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 2012 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 31st day of August, 2012

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 2012 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 2012

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

**INDEPENDENT AUDITOR'S REPORT**

We have audited the financial report, being a general purpose financial report, of the Promontory District Finance Group Limited which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the 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 is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


*Independence*

In conducting the 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 Limited on 24<sup>th</sup> August 2012 would be in the same terms if given to the directors as at the time of this auditor's report.

*Opinion*

In our opinion the financial report of Promontory District Financial Group Ltd. is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.



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

**3A BILLSON STREET**  
**WONTHAGGI, VIC 3995**

**31<sup>st</sup> August 2012**