

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

TOORA & DISTRICT COMMUNITY BANK[®] BRANCH AND FOSTER BRANCH OF BENDIGO BANK



2013 Annual Report

Front Cover:

Toora & District Community Bank® Branch, Foster branch of Bendigo Bank and Meeniyah Agency

Back Page:

**Back row; Terri Bohn, Anne Palmer, Sandra Faragher, Trudy Heiser, Karen Dorling
Front Row; Michelle Walker, Rebecca Parker, Allison Drury. Absent Tara Hollier**

All Correspondence Addressed to:

**Toora & District Community Bank® 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**

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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Chairman's Report

2012 - 2013

The past year has been another successful one for your local Community Bank business with profit at the end of the year being \$205,011. This was down on last year's profit of \$261,611 but when discounting the one off tax return last year and comparing apples with apples, it has resulted in an increase in profit of some five and a half thousand dollars. Business volumes continued to grow modestly in line with the tightening economic conditions with our total book standing at \$108.2million up from \$104.8million and our Foster branch surpassing \$50million for the first time.

Operationally, the completion of renovations at Toora and the commencement of the new Meeniyana agency after much delay and hard work has resulted in improved access for our customers.

From a staff viewpoint we have farewelled Donna Bowler who returned to Melbourne for family reasons. Lee-Anne Van Dyke has resigned as administration officer to take a well deserved extended holiday. We wish both of them the best in their new pursuits and thank them for their input to the business. Following a review of our staffing requirements we wish to welcome Rebecca Parker as Customer Relationship Manager and Jillian Throckmorton to the Administration Officer position.

Looking forward, the Bendigo Bank's second round of 'restoring the balance', tightening of the economy, along with lower interest rates are expected to result in a significant tightening of profit in the coming twelve months.

Our annual grants program was once again very popular, with numerous applications received. Our presentation night was very well attended. It was particularly pleasing to see some of the younger volunteers in our community make presentations about how their organisation would use our grants.

On behalf of the board, I would like to thank all our staff for their input and dedication to the continued success of our Community Bank and to Lee-Anne for her assistance in supporting the Board. It would also be remiss of me to neglect to thank our contributors who provided our initial funds to commence the Community Bank, as well as our customers for their continued support.

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

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 Chairman

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.



IRMELA McINTYRE – Company Secretary

Irmela with her husband Graham moved to South Gippsland in 1995 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 evolvement 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.



LLEWELYN VALE, OAM – Board Member

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 Goulburn Murray Water Corporation. Llew is one of the Bank's senior Mentors. He firmly believes the Community Bank has only just begun to reach its full potential.



NEVILLE BUCKLAND – Board Member

Neville has completed his eleventh 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.

MICHELLE BACON – Board Member

At the age of 12 Michelle's family moved from Altona to South Gippsland. Michelle is number 3 of seven children and went straight into Foster High School. From there she entered the accounting and finance industry (now into her 30th year). She started initially with a small local accounting firm then had a break bringing up 4 children. Michelle re-entered the workforce part-time with a local accountant and running her own bookkeeping business. Later she had a 2 year working stint in Alberta Oilsand, Canada. Upon her return she was offered a position back locally working for a local stockfeed company as an Office Manager.



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

Manager's Report.

For year ending 30 June 2013

Another year has flown by and it's hard to believe that our **Community Bank®** business is approaching its 15th year of operation in Toora. Despite challenging economic conditions we have seen our branches grow their business to a combined total of \$108 million with Foster branch finally reaching the milestone of \$50 million in business towards the end of the financial year.

We were excited to finally open the Meeniyan Agency in March after a significant period with only an ATM to service the town. Quite quickly we have seen excellent growth in that part of our business as the Meeniyan community jump on board to support our business.

Toora Branch had a considerable facelift last October and we thank our loyal customers and the staff for their patience during the construction. While not much appears to have changed in the front of the branch, I can assure everyone that the changes made at the rear of the premises have been significant and much appreciated by the staff.

A highlight of our year was our recent grants night where we awarded just over \$60,000 to thirteen local clubs and organisations taking our total community investment for the 2012/2013 year to around \$90,000. Our locally owned and operated Community Bank® business has now reached an amazing \$700,000 of investment back into the community, an achievement that just wouldn't be possible without the ongoing support and loyalty of our customers. It's a simple yet powerful concept. Support us with your banking business and in return we can support the community in which you live, work and play.

Our success is very much a team effort and I'd like to take this opportunity to acknowledge our loyal and hardworking branch staff for the standard of service they provide to our customers and for their loyalty and dedication to the business. Their commitment to our customers is what sets us apart from 'the others' and I thank them all for a job very well done.

We farewelled Donna Bowler and Wendy Watkins during the year but many of you would recognise Karen Dorling who has returned to the team after a short time away and we also welcome Rebecca Parker to the role of Customer Relationship Manager.

Finally I would like to thank the Board who all volunteer their time to ensure that we retain a quality banking service in our local area and our contributors who saw the potential of the business and helped ensure it would happen. It is only with this support and that of our customers that our branches are able to grow and provide such rewarding benefits to the townships of Toora, Foster, Meeniyan and the surrounding areas.

Allison Drury
Branch Manager

THE BRANCH STAFF



ALLISON DRURY – Branch Manager, Toora & Foster

Allison has been with Bendigo Bank since 2000 when she commenced part time at Korumburra Branch. She also worked at Inverloch & District Community Bank® and Leongatha Business Banking prior to being appointed at Foster branch in May 2010.

Allison has two sons, Ryan 21 & Nick 17 and a daughter Brittany 18. She lives in Meeniyah with her husband Richard, Nick, Brittany and their Labrador/Maremma X Ella. In whatever spare time she can find Allison will be reading, fishing or going for drives to explore the local area. She is current Treasurer of the Leongatha Angling Club and passionate member of the Southern Business Women's Network.

SANDRA FARAGHER – Branch Supervisor, Foster

Sandra has been with Prom District Finance Group for nearly 12 years and is looking for somewhere exotic to go on her long service leave. Sandra enjoys horse riding, reading, camping and photography and also going to the cinema.

She has two girls, Stacey, 22 has completed her hospitality training and is currently an apprentice chef at Seaford RSL, Tayla 16, who is in Year 10, husband Rick and a small farm that keep 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, and also at larger branches including Rockhampton.

She lives locally with her partner Geoff and their two sons. Anne supports her sons in their sporting interests. She enjoys gardening, keeping active and spending time with family and friends.

TRUDY HEISER - Customer Service Officer

Trudy who has been with the bank for 7 years enjoys catching up with friends, walking and searching for great wines from little independent boutique wineries to share while socialising.

Trudy has also been very involved with the community through local charities and is involved in fundraising events for the Yanakie community.

Trudy lives at Foster and also farms at Yanakie with her husband David on their dairy farm. Trudy has 3 children, Cassie 27 who has just completed a Law Degree and is currently working with VLA, Demi 24 who is a nurse at the Children's Hospital and Justin 22 who is working at Crown Casino.





MICHELLE WALKER - Customer Service Officer

Michelle started work with the bank in December 2007 after previous employment with Murray Goulburn in Yarram. She has had prior 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 their two children Callan and Ayden. They both attend school at Foster.

Michelle is an active member of the Toora Recreation Reserve and the Toora Netball Club of which she is a life Member. She is also on the Foster Basketball Association Committee and Port Franklin Hall Committee.

Michelle enjoys spending time with her family, socialising, and supporting her sons' sporting endeavours. Michelle also enjoys holidaying with her family in their caravan up the East Coast.

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 22, Ashlee 20, Kieran 16 and Yasmin 14. Monique is working as a Croupier at Crown Casino in Melbourne. Ashlee is a Personal Carer in Aged Care and works at both Prom View Lodge & Banksia Lodge. Kieran is in Year 10 at and Yasmin is in Year 8 at South Gippsland Secondary College. Terri enjoys spending time with family, camping, reading and socialising with friends.



TARA HOLLIER- Customer Service Officer

Tara has been with the bank now for almost three years following a decision to have a career change and time off as a mum. 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, coaching and umpiring. She is currently Secretary of Toora Football Club & Toora Netball 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 12, Ella 4 and Tess 2. Tara enjoys being with her family, a good book and great food and wine.

KAREN DORLING - Customer Service Officer

Karen was originally employed by the bank from 2006 – 2011. Karen rejoined the bank in 2012 after a break of 18 months which was spent at home with her family.

Karen and her husband Andrew live in Fish Creek and have three children, the two youngest attend school locally at Fish Creek Primary. In her spare time Karen enjoys photography and spending time at home with her family and exploring the local beaches and coastline.



Welcome



REBECCA PARKER - Customer Relationship Manager, Toora and Foster

Rebecca commenced at Toora and Foster branches at the beginning of June this year. She was previously employed for 11 months as Customer Relationship Officer at the Leongatha Bendigo Bank branch and prior to that worked for 5 years with the Commonwealth Bank at Leongatha and Foster branches.

Rebecca lives with her partner Carl on a 450 acre Beef farm at Buffalo. She enjoys helping on the farm and riding her horse and is an active member of Bennison and Stony Creek Riding Clubs.

Rebecca is very excited about being a part of the Community Bank and most of you will already have seen her out and about in the local area.

Community Grants Program

The 2013 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 at the Foster Uniting Church Hall. The evening was well attended by representatives of the community organisations receiving grants and sponsorships from staff and Directors of the Promontory District Finance Group. Congratulations to all Grants and Sponsorship recipients.

2013 GRANTS PROGRAM

Community Enterprise Foundation Grants

ORGANISATION	PROJECT	GRANT
Toora Community Hall & Library	Kitchen Upgrade	\$4,400
Prom Coast Centre for Children	Community Art Project	\$600
South Gippsland Hospital Auxiliary	Equipment Upgrade	\$1,106
Prom Coast University of the 3 rd Age	Public Address System	\$850
Toora & District Swimming Pool	Fridge/Freezer	\$1,200
South Gippsland Hospital	Youth Assist Clinic	\$12,000
Prom Country Aged Care Inc	New Facility	\$30,000
Toora Bowls Club	Completing Surrounds	\$2,500
Manna Community Garden Inc	Meeting Space	\$1,825
Foster & District Historical Society	Enhancement of Museum Entrance	\$2,000

Sponsorships

ORGANISATION	PROJECT	GRANT
Dolphin Corner Inlet Swimming Club	Bathers	\$1,625
Corner Inlet Pony Club	Arena Rake	\$850
Toora Football Club	Electronic Scoreboard	\$2,875

Community Bank Scholarship Program

Katie Jones	Tertiary Scholarship 1 st Year	\$5,000
Dylan Williams	Tertiary Scholarship 2 nd Year	\$5,000

Grants and Sponsorship Presentation Evening 2013

Foster Uniting Church Hall was the venue for presentation of the Grants Evening for 2013



South Gippsland Hospital's Samantha Park being presented with their Grant of \$12,000 towards the Youth Assist Clinic, with Allen Van Kuyk and Irmela McIntyre



Tarra Hollier & Sandra Faragher present a Toora Football Club representative with a Conditional Sponsorship of \$2,875 towards a new electronic scoreboard.



Prom Country Aged Care Inc was presented with a Community Enterprise Foundation Grant of \$30,000 towards their new facility.



Toora Community Hall & Library members receiving a Grant of \$4,400 for a kitchen upgrade. Presented by Rob Liley

Thank you to the Mirror for supplied photos

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 30th June 2013.

Directors

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

		MEETINGS	MEETINGS
DIRECTORS NAME	Years on Board	Number Eligible To Attend	Number Attended
Allen Van Kuyk (Chair)	12	10	10
Llewelyn Vale	14	10	6
Irene Spooner	14	10	10
David Roberts	14	10	8
Bruce Beatson	14	2	2
Clive White	14	10	7
Peter Tilley	14	10	8
Irmela McIntyre	11	10	7
Neville Buckland	11	10	7
Robert Liley	6	10	9
Michelle Bacon	1	2	2

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

DIRECTORS IN OFFICE as at 30th JUNE 2013

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	27 years experience in public administration. 12 years mentoring community groups in Corporate governance.
Clive White	Solicitor	B.Juris LLB (Monash) Barrister & Solicitor	35 years
Irene Spooner	Newsagent	-	Worked in / Owned variety of retail businesses
David Roberts	Farmer / Stock Agent	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	32 years in Public Practice
Allen Van Kuyk	Farmer	Farming Trades Apprenticeship	17 years farming experience
Neville Buckland	Farmer	-	62 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)	47 years growing own farming business. Volunteering on numerous community committees
Michelle Bacon	Office Manager	Various courses in Accounting, Financial and Administration Services	28 years working in the business and financial services industry.

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 Branch and the Foster Branch as a franchise of the Bendigo Bank.

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 \$73,387 (\$135,179 in 2012)

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:

	2013		2012	
	Budget	Actual	Budget	Actual
Total Banking Book	103.7M	102.7M	91.8M	97.7M
Total Revenues	918,355	933,532	814,771	890,191
Total Expenses	757,401	728,521	688,626	697,553
Net Profit	160,954	205,011	126,145	261,611
Grants & Sponsorships	66,500	73,387	17,200	135,179

COMMITTEES OF THE BOARD

Audit & Finance Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Peter Tilley	1	1
Llewelyn Vale	1	1
Clive White	1	1
Allen Van Kuyk	1	1
Robert Liley	1	1

Corporate Governance Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Robert Liley	2	2
Allen Van Kuyk	2	2
Michelle Bacon	2	2
Irmela McIntyre	2	1

Marketing Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
David Roberts	4	4
Neville Buckland	4	4
Irene Spooner	4	4
Llewelyn Vale	4	4
Allen Van Kuyk	4	2

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
Michelle Bacon	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 30th June 2013 the number of members was 117.

Auditor's Independence

The auditors' declaration of independence appears on page 38 and forms part of the Directors' report for the year ended 30th June 2013.

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 dollar, 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 2013

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2013

	Note	Total 2013 \$	Total 2012 \$
<i>Revenue from ordinary activities</i>	2	933,532	890,191
Employee benefits expense	3	(430,777)	(385,590)
Depreciation and amortisation expense	3	(31,480)	(27,103)
Borrowing costs expense	3	(12,659)	(13,379)
Other expenses from ordinary activities		<u>(253,605)</u>	<u>(271,481)</u>
Profit from ordinary activities before income tax expense		205,011	192,638
Income tax expense	4	-	(68,973)
Net profit after income tax expense		<u>205,011</u>	<u>261,611</u>
TOTAL CHANGES IN EQUITY		<u>205,011</u>	<u>261,611</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, 2013

	Note	Total 2013 \$	Total 2012 \$
CURRENT ASSETS			
Cash and cash equivalents	5	547,026	403,209
Trade and other receivables	6	89,224	89,293
TOTAL CURRENT ASSETS		<u>636,250</u>	<u>492,502</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	24,019	-
Property, plant and equipment	7	314,784	123,696
Intangible assets	8	55,455	67,839
TOTAL NON-CURRENT ASSETS		<u>394,258</u>	<u>191,535</u>
TOTAL ASSETS		<u>1,030,508</u>	<u>684,037</u>
CURRENT LIABILITIES			
Trade and other payables	10	54,915	53,839
Short-term borrowings	9	11,853	12,751
Short-term provisions	11	26,265	25,231
TOTAL CURRENT LIABILITIES		<u>93,033</u>	<u>91,821</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	9	306,079	169,200
Long-term provisions	11	14,646	11,277
TOTAL NON-CURRENT LIABILITIES		<u>320,725</u>	<u>180,477</u>
TOTAL LIABILITIES		<u>413,758</u>	<u>272,298</u>
NET ASSETS		<u>616,750</u>	<u>411,739</u>
EQUITY			
Retained earnings	12	616,750	411,739
TOTAL EQUITY		<u>616,750</u>	<u>411,739</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, 2013

	Retained Earnings \$
Balance at 30 June 2011	150,128
Profit	261,611
Balance at 30 June 2012	<u>411,739</u>
Profit	205,011
Balance at 30 June 2013	<u><u>616,750</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, 2013

	Note	Total 2013 \$ Inflows/ (Outflows)	Total 2012 \$ Inflows/ (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Bendigo Bank		1,014,721	938,666
Receipts from telco commission		620	1,623
Interest received		15,890	25,609
Payments to suppliers and employees		(772,958)	(751,801)
Finance costs		(12,601)	(13,326)
Income tax refund (paid)		-	67,062
Net cash provided by (used in) operating activities	15(b)	<u>245,672</u>	<u>267,833</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of investments		(676)	(60,000)
Purchase of property, plant and equipment		(207,981)	(554)
Net cash provided by (used in) investing activities		<u>(208,657)</u>	<u>(60,554)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		106,802	(22,921)
Net cash provided by (used in) financing activities		<u>106,802</u>	<u>(22,921)</u>
Net increase in cash held		143,817	184,358
Cash at beginning of year		247,820	63,462
Cash at end of year	15(a)	<u><u>391,637</u></u>	<u><u>247,820</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 2013

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 31st 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.

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 2013

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 $\frac{1}{3}$ 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.

PROMONTORY DISTRICT FINANCE GROUP LTD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

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.

PROMONTORY DISTRICT FINANCE GROUP LTD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

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.

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 2013

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 30th June 2013 the balance of the funds held by the CEF in respect of the company was \$14,833. (\$72,386 at the 30th June 2012).

PROMONTORY DISTRICT FINANCE GROUP LTD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2013

NOTE 2. REVENUE

	Total 2013 \$	Total 2012 \$
Operating activities		
Franchise margin income	543,861	506,913
Commercial loan income	9,608	15,368
Commission income	195,749	193,824
Leasing/hire purchase income	3,523	3,740
Market development fund	96,667	76,667
Fee income	68,180	65,648
Telco commission	620	1,623
Interest	15,324	26,408
Total revenue	<u><u>933,532</u></u>	<u><u>890,191</u></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, 2013

NOTE 3. PROFIT FROM ORDINARY ACTIVITIES

a) Expenses	Total 2013 \$	Total 2012 \$
Employee benefits expense		
Wages	374,289	333,136
Workcover	1,179	1,439
Superannuation - SG	23,292	25,140
Superannuation - Salary Sacrifice	14,601	12,633
Fringe benefits tax	899	1,696
Sundry Seconded Employee Expenses	16,517	11,546
Total employee entitlements	<u>430,777</u>	<u>385,590</u>
Borrowing cost expense		
Building loan interest	1,415	1,934
Refurbishment Loan	2,662	-
Fitout loan interest	140	1,247
Overdraft interest	-	583
Motor vehicle loan interest	-	161
Contributors interest	8,384	9,401
Borrowing cost write off	58	53
Total borrowing costs	<u>12,659</u>	<u>13,379</u>
Depreciation of non-current assets		
Buildings and improvements	3,960	1,219
Furniture and fittings	8,978	8,777
Motor vehicles	3,956	2,923
Total depreciation	<u>16,894</u>	<u>12,919</u>
Amortisation of non-current assets		
Franchise fee	14,000	10,093
Goodwill	586	4,091
Total amortisation	<u>14,586</u>	<u>14,184</u>
Bad debts written off	<u>258</u>	<u>476</u>
Audit fees	<u>3,200</u>	<u>3,420</u>
Rental expense on operating leases		
Computer equipment	<u>10,053</u>	<u>10,756</u>
	<u>10,053</u>	<u>10,756</u>

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, 2013

NOTE 4. INCOME TAX

	Total 2013 \$	Total 2012 \$
a) Major components of income tax expense:		
Current tax expense	-	-
Deferred tax expense (revenue) from origination of temporary differences	-	-
Prior year adjustment	-	(68,937)
Total tax expense / (income)	<u>-</u>	<u>(68,937)</u>
b) The prima facie income tax on profit from ordinary activities is reconciled to the income tax expense as follows:		
Profit from ordinary activities	205,011	192,638
Prima facie tax payable on profit from ordinary activities before income tax at 30% (0% after 1st June 2011)	-	-
Add:		
Tax effect of:		
Non-deductible expenses	-	755
Prior year adjustment	-	-
	<u>-</u>	<u>755</u>

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, 2013

NOTE 5. CASH AND CASH EQUIVALENTS

	Note	Total 2013 \$	Total 2012 \$
Cash at bank		515,360	373,732
Petty cash		4	39
Term deposit (overdraft security)		16,820	15,320
Term deposit (rent security)		14,842	14,118
		<u>547,026</u>	<u>403,209</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 Court Street Pty Ltd.

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	547,026	403,209
Bank overdrafts	(155,390)	(155,390)
Credit Cards	(163)	(149)
	<u>391,473</u>	<u>247,670</u>

NOTE 6. TRADE AND OTHER RECEIVABLES

		Total 2013 \$	Total 2012 \$
CURRENT			
Accrued interest		3,374	3,940
Income share from Bendigo Bank		80,691	85,353
Brown Wigg Loan	16	5,159	-
Total Current		<u>89,224</u>	<u>89,293</u>
NON-CURRENT			
Brown Wigg Loan	16	24,019	-
Total Non-Current		<u>24,019</u>	<u>-</u>
TOTAL CURRENT AND NON-CURRENT RECEIVABLES			
Accrued interest		3,374	3,940
Income share from Bendigo Bank		80,691	85,353
Brown Wigg Loan		29,178	-
		<u>113,243</u>	<u>89,293</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, 2013

NOTE 7. PROPERTY, PLANT & EQUIPMENT

	Total 2013 \$	Total 2012 \$
Land at cost	27,524	27,524
Buildings and improvements at cost	209,428	49,265
Less accumulated depreciation	(18,477)	(14,517)
	<u>190,951</u>	<u>34,748</u>
Furniture and fittings at cost	188,278	166,645
Less accumulated depreciation	(122,966)	(113,988)
	<u>65,312</u>	<u>52,657</u>
Motor vehicles at cost	33,004	29,880
Less accumulated depreciation	(2,006)	(21,113)
	<u>30,997</u>	<u>8,767</u>
Total property, plant and equipment	<u><u>314,784</u></u>	<u><u>123,696</u></u>

(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	34,748	52,657	8,767	123,696
Additions	-	160,163	21,633	33,004	214,800
Disposals	-	-	-	(6,818)	(6,818)
Depreciation expense	-	(3,960)	(8,978)	(3,956)	(16,894)
Carrying amount at end of year	<u>27,524</u>	<u>190,951</u>	<u>65,312</u>	<u>30,997</u>	<u>314,784</u>

NOTE 8. INTANGIBLE ASSETS

	Total 2013 \$	Total 2012 \$
Goodwill at cost (agency buyout)	13,362	13,362
Less accumulated amortisation	(4,677)	(4,091)
Borrowing Costs	640	23
Training prepayment	-	-
Prepaid Expenses	5,067	3,482
Set up costs	70,000	70,000
Less accumulated amortisation	(36,740)	(26,740)
Franchise fee	20,000	20,000
Less accumulated amortisation	(12,197)	(8,197)
Total intangible assets	<u><u>55,455</u></u>	<u><u>67,839</u></u>

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, 2013

NOTE 9. BORROWINGS

	Note	Total 2013 \$	Total 2012 \$
CURRENT			
Bank loan secured (building)	16	5,816	5,484
Bank loan secured (fit out)	16	-	7,267
Bank loan (Refurbishment)	16	6,037	-
Total current		<u>11,853</u>	<u>12,751</u>
NON-CURRENT			
Bank overdraft secured	16	155,390	155,390
Bank loan secured (building)	16	8,069	13,810
Bank loan (Refurbishment)	16	142,620	-
Total non-current		<u>306,079</u>	<u>169,200</u>

a) Total current and non-current secured liabilities:

Bank overdraft	16	155,390	155,390
Bank loan (building)	16	13,885	19,294
Bank loan (fit out)	16	-	7,267
Bank loan (Refurbishment)	16	148,657	-
		<u>317,932</u>	<u>181,951</u>

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.

c) The carrying amounts of non-current assets and contributions pledged as security are:

Land	27,524	27,524
Buildings and improvements	190,951	35,748
Contributions from supporters	138,570	140,070
Bank Deposits	16,820	15,320
	<u>373,865</u>	<u>218,662</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, 2013

NOTE 10. TRADE AND OTHER PAYABLES

	Total 2013 \$	Total 2012 \$
CURRENT		
GST payable	16,562	21,588
Accrued wages	8,723	7,271
Credit Card	163	149
Trade payables	26,852	22,458
PAYG withholding payable	2,615	2,373
Total trade and other payables	54,915	53,839

NOTE 11. PROVISIONS

	Total 2013 \$	Total 2012 \$
CURRENT		
Annual leave	17,725	18,044
Long service leave	8,540	7,187
Total current employee entitlements	26,265	25,231
NON-CURRENT		
Annual leave	6,092	6,211
Long service leave	8,554	5,066
Total non-current employee entitlements	14,646	11,277

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
ABN 69 085 537 328

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2013

NOTE 12. RETAINED EARNINGS

	Total 2013 \$	Total 2012 \$
Retained earnings at the beginning of the financial year	411,739	150,128
Net profit	<u>205,011</u>	<u>261,611</u>
Retained earnings at the end of the financial year	<u><u>616,750</u></u>	<u><u>411,739</u></u>

NOTE 13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent assets or liabilities at 30th June 2013.

NOTE 14. CAPITAL COMMITMENTS

There were no capital commitments at 30th June 2013.

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, 2013

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 2013 \$	Total 2012 \$
Cash at bank	515,360	373,732
Petty cash	4	39
Term deposit	31,662	29,438
Bank overdrafts	(155,390)	(155,390)
Credit Cards	(163)	(149)
	<u>391,473</u>	<u>247,670</u>

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

	Total 2013 \$	Total 2012 \$
Profit after income tax	205,011	261,611
Non-cash flows in profit		
Borrowing cost write off	58	53
Depreciation and amortisation	31,480	27,103
Changes in assets and liabilities		
(Increase)/decrease in receivables	5,229	(10,665)
(Increase)/decrease in prepayments	(1,585)	6,064
Increase/(decrease) in payables	1,076	9,726
Increase/(decrease) in provisions	4,403	(24,148)
Increase/(decrease) in income taxes payable	-	(23,402)
(Increase)/decrease in deferred taxes payable	-	21,491
Cash flows from operations	<u>245,672</u>	<u>267,833</u>

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, 2013

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	
					Within 1 year		1 to 5 years			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash & Cash Equivalents	6.00	6.00	515,360	373,732	14,842	14,118	-	-	16,820	15,082
Receivables	6.00	6.00	-	-	5,159	-	24,019	-	80,691	85,353
Total Financial Assets			515,360	373,732	20,001	14,118	24,019	-	97,511	100,435
Financial Liabilities										
Bank Overdraft Secured	-	-	-	-	-	-	-	-	155,390	155,390
Bank Loan (building)	8.84	8.34	-	-	5,816	5,484	8,069	13,810	-	-
Bank Loan (fit out)	8.99	8.99	-	-	-	7,267	-	-	-	-
Bank Loan (Refurbishment)	6.84	6.84	-	-	6,037	-	142,620	-	-	-
Total Financial Liabilities			-	-	11,853	12,751	150,689	13,810	155,390	155,390

Supporters of the company have made contributions totalling \$155,390 as at 30th June, 2013 (\$155,390 - 2012)

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:

	Total 2013 \$	Total 2012 \$
The Bendigo Superannuation Plan	29,013	30,595
Vic Super	8,198	6,585
Vision Super	681	594
	37,892	37,774

- (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, 2013

NOTE 18. RELATED PARTY DISCLOSURES

	Total 2013 \$	Total 2012 \$
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
Mrs. Michelle Bacon

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 invoiced by Duesburys Gippsland for the year ended 30th June, 2013 was \$16,962.

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.

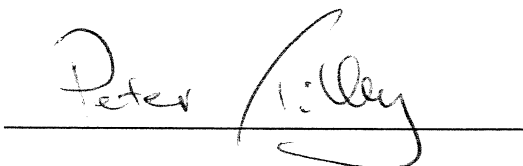
In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, and:

- (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 2013 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 26th day of August, 2013

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 2013 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

26th August 2013

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 2013, 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 24th 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 2013 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

30 August 2013



Franchisee:

Promontory District Finance Group Ltd
48 Stanley Street, Toora Victoria 3962
Ph: 03 5682 2287 Fx: 035686 2010
ACN 085 537 328

Toora & District **Community Bank**[®] Branch
48 Stanley Street, Toora Victoria 3962

Foster Branch
68 Main Street, Foster Victoria 3960

Franchisor for:
Meeniyah Agency
110 Whitelaw Street, Meeniyah Victoria 3956

www.bendigobank.com.au

Toora & District **Community Bank**[®] Branch
and Foster branch

