



Annual Report 2016

Promontory District Finance Group Ltd

ABN 69 085 537 328

Toora & District Community Bank® Branch, Foster branch & Welshpool agency

All Correspondence Addressed to:

Toora & District Community Bank[®] Branch of Bendigo Bank

48 Stanley Street, Toora, Victoria 3962

Phone: (03) 5686 2000 Fax: (03) 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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Chairmans Report

2015 - 2016

This year, like last financial year, has seen the company operating in an environment of low interest rates and tight margins. We continue to work hard at getting the message about our unique **Community Bank**[®] model of banking across to groups to which we provide funds, in order to point out that it must be a two-way relationship.

The Board made the very difficult decision, in the light of not making a trading profit, not to pay the annual interest to our contributors. The decision was certainly not taken lightly and generated a generous amount of debate with regard to the contributors great support over the years, but also in the light of what is ahead in the economy. The Board was adamant that a return to the contributors was of the highest priority when the financial state of the business returned to profit again.

The Board accepted with understanding Allen Van Kuyk's resignation. Allen joined the Board in 2001 and was Chairman for a number of years. He worked tirelessly for the Community Bank.

The Board and team have worked hard this year with the Welshpool community and Bendigo Bank agency to achieve banking facilities for that community. The Board is still keen to bring banking facilities to the Meeniyan community and is working with a possible agency towards that outcome.

There have been a number of team changes during the year. Allison Drury has moved away but continued on within the **Community Bank**[®] Company. Sandra Faragher moved to Western Victoria. We welcome Rebecca Parker to the Manager's position. Rob Mitchell has joined us in the Customer Relationship Manager role and Kate Whittingham as Customer Service Officer. We look forward to this new stage in the company's team.

Once again the Boards thanks go to the Manager and her branch teams for their continuing work in serving our customers needs and growing the business in a dedicated and professional manner. The Board also thanks the team for their support during times when staff shortages occurred. I would like to thank Louise Gavros for her assistance during the year in the many ways that she helped both Rebecca and myself, particularly with the team changes during the year.

Thank you to the Deputy Chairman Joe Bucello for his help and support during our team changes where his experience was invaluable. I thank my fellow Board members for their support and good governance during the year and I recognise and thank them for their ongoing commitment to their community. The time and sacrifices that these volunteers give to the community is quite outstanding. My thanks also go to our Executive Officer for her professionalism and tireless work throughout the year.

There will be challenges and great opportunities in the coming year as we embrace the Bank's "Project Horizon". We look forward to strengthening the company so that we can continue to bring first class banking services to the community and also continue the **Community Bank**[®] company investment in the community through our grants and sponsorship programs.

Robert Liley
Chairman

THE DIRECTORS



ROBERT LILEY – Chairman

Rob was born and educated in Melbourne but has lived in the country all his adult life. He is married to Joan and they have two adult children and six grandchildren. After graduating from Marcus Oldham Agricultural College he has farmed at Melton, Bega NSW and Walkerville (since 1975).

Rob has 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.

JOE BUCELLO – Deputy Chairman

Joe was born in Foster and although he moved away for study and work in the Engineering field, he returned to the district in 1989 with his wife Sandy and young daughter for family life in the country.

Up until 2012 Joe & Sandy developed their supermarket business in Foster and during this time contributed to many local community fund raising activities.

Now with a little more spare time, Joe is keen to continue contributing to the community and support the invaluable work of the **Community 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 the inaugural Company Secretary and then Board Chairman for eight years. He has played a significant role in the wider **Community Bank®** movement serving as long term Community Advisor as well as serving one term on the Strategic Advisory Board.

He is currently a member of the Effort and Reward stream of Project Horizon.

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 well over thirty years and has been heavily involved in community activities.

Clive believes strongly in the enhancement of the environment and economy of the area.



MICHELLE NEUMANN – Board Member

At the age of twelve Michelle's family moved from Altona to South Gippsland. Michelle is number three of seven children and went straight into Foster High School. From there she entered the accounting and finance industry (now into her 31st year).

She started initially with a small local accounting firm then had a break bringing up four children. Michelle re-entered the workforce part-time with a local accountant and running her own bookkeeping business. Later she had a two year working stint in Alberta Oilsand, Canada. Upon her return she was offered a position 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 seventy six years, and has worked as a farmer, livestock buyer, agent and transport operator. He remains a beef producer on his farm and operates as a stock agent for a local firm. He is the proud father of four and grandfather of seven.

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. Practicing as an accountant, he is aware of the important role that banking, investing 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 is actively involved in a number of community groups.



JILLIAN THROCKMORTON – Executive Officer for PDFG

Jill lives in Woorarra East with Peter and their two children, Thomas and Michael.

Jill has an extensive background in administration and started with PDFG Ltd in 2013 to help with the ever growing administration that comes with running a **Community Bank®**.

Jill is an active member of the community, being a member of the Welshpool and District Primary School Council and Parents Club, Prom Coast Soccer Club the Prom Coast Centres for Children and the Corner Inlet Swimming Club (Dolphins).

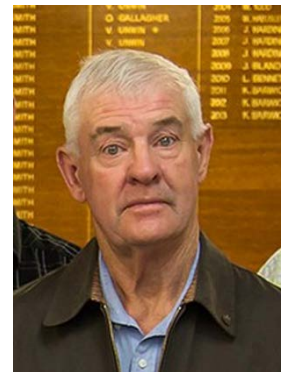
MARKETING COMMITTEE INVITEES

NEVILLE BUCKLAND

Neville had been a Promontory District Finance Group Ltd Director for twelve years before retiring. Neville is a valued member of the PDFG Marketing Committee as a representative for Fish Creek.

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.

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.



CATHERINE WALDRON

Catherine along with her husband and three children have lived in Meeniyah for twenty eight years. She opened her hairdressing salon in Meeniyah twenty seven years ago.

Catherine is an active member of the Meeniyah community having chaired the kinder committee and school council. She is also an inaugural member of the Meeniyah tourism and traders association and active organizer of the Meeniyah on Fire festival.

Catherine is proud to be a member of the marketing committee.

JOHN CHEYNE

John moved from Western Australia to South Gippsland in 2011 and operates a small farm on the slopes of Mount Best.

John has had a long association as a volunteer with community organisations in metro and rural Western Australia. He was a member of the team that established the Denmark Community Windfarm on the south coast of WA and was a board member of Green Skills and Volunteer Taskforce community groups. During his last fifteen years of employment he was an Executive Director of a Government enterprise whose sole purpose was to raise and distribute funds to community organisations across Western Australia.

John is a strong believer in the Community Banking model and the strengthening of local communities via the distribution of profits to community groups.



Managers Report

For year ending 30 June 2016

We sadly farewelled Allison Drury, our Branch Manager of five years, at the end of September 2015. Allison decided a move to the Big Smoke was on the cards and took up a new position at a branch in Melbourne. As her second in charge, I progressively stepped up into her role and was officially appointed to the position at the beginning of December 2015.

It has taken a little while to find my feet in a totally new position. It has been a very challenging 12 months for Promontory District Financial Group Limited and the Branches with margins being very tight across the board.

During this time our overall book has increased from \$111.8 million to \$117.4 million with deposits once again being in our favour. The lending was still slow with a lot of people paying down debt rather than taking out new loans. Despite this trend, we continue to look for opportunities to grow the business in all areas.

In April 2016, when the ANZ was closing a lot of their agencies, Toora & District **Community Bank**[®] Branch were asked to provide the Welshpool agency with banking services. I would like to extend a warm welcome to the Directors and staff at the Rural Transaction Centre in Welshpool to our team.

Another exciting milestone to be mentioned is that we are getting very close to reaching an amazing result of \$1 million in Community Grants and Sponsorships given back to our community. We are currently sitting at around \$929,000, so keep an eye out for the celebrations when we reach this goal!

It is timely to reiterate the importance of the **Community Bank**[®] model and the unique way that it operates giving up to 80% of its profits back to the community. Without the members of the community giving us the opportunity to look after all of their banking needs, we would not be able to continue to contribute as we have in the past.

A special thanks goes out to my Customer Relationship Officer, Karen Dorling, who has taken the time to develop a brilliant 'Big Bendigo Benefits Program' presentation. The Program explains in greater detail how the **Community Bank**[®] model works and what we can offer to community/sporting groups and businesses/workplaces. If you would like us to present this to your community group or business, please come in and see us, as we would be more than happy to come and see you!

I am forever grateful to my wonderful staff who have supported me to no end as I have found my feet as their new Manager. I wouldn't be here if it wasn't for them!

I would like to personally thank our customers past, present and future as well as the supportive Board of Directors at Promontory District Finance Group Limited. I look forward to a successful and prosperous 2016/17 financial year ahead with you all.

Rebecca Parker
Branch Manager

THE BRANCH TEAM



REBECCA PARKER – Branch Manager, Toora & Foster

Rebecca has been with the Bendigo Bank for 4 years and with PDFG for the last 3 years. Rebecca is the main Lender in both branches and also manages the day to day running of the branches. She enjoys working for the **Community Bank®** immensely.

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

ROBERT MITCHELL – Customer Relationship Manager, Toora & Foster

Rob joined the bank in June 2016, moving from Adelaide to pursue a finance career and to give back to the community. Rob has nearly 15 years banking experience, eight years as a lending specialist.

Rob has been active in his communities as a volunteer for Meals on Wheels, helping over 40's gain employment and as a coach and administrator in cricket. Rob has worked full-time in cricket in Adelaide and the UK.

Rob lives in Foster, his partner Ali is a fly-in fly-out nurse. They enjoy socialising with family and friends. Rob is a keen football and cricket supporter.



KAREN DORLING – Customer Relationship Officer, Toora & Foster

Karen was originally employed by the bank from 2006 until 2011, when she took a break from the workforce to spend time at home with her family and to concentrate on their family business. Karen re-joined the bank in 2012 as a Customer Service Officer and is now the Customer Relationship Officer.

Karen and her husband Andrew live in Fish Creek and have three children. Karen is involved in the community in numerous ways including being current Treasurer of the Corner Inlet Pony Club Inc and a member of the Corner Inlet Motor Cycle Club.

ANNE PALMER - Branch Supervisor, Foster

Anne has had over 26 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. Anne enjoys keeping active and spending time with family and friends.





MICHELLE WALKER – Senior 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 13 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 who joined the team at Bendigo in April, 2011 is actively involved in the Community through sporting venues and is currently Treasurer of the Corner Inlet Motorcycle Club.

Terri lives locally with her husband Peter and son Kieran who is a 3rd year apprentice mechanic and daughter Yasmin who is currently in Year 11. Their two older daughters have moved out of home and are working fulltime, Monique as a Croupier at Crown Casino and Ashlee as a Personal Carer. Terri enjoys spending time with family, camping, reading and socialising with friends.



TRUDY HEISER - Customer Service Officer

Trudy lives in Foster with her husband David. She enjoys socialising with friends, finding great red wines from little off the grid boutique wineries, trying to stay fit and spending time with her family.

Trudy has 3 adult children.

TARA HOLLIER- Customer Service Officer

Tara joined the Community Bank in 2011 following a career in the medical field and time off as Mum.

Tara is actively involved in local clubs, representing Toora Netball Club (as secretary, player and umpire), Toora Football Club on the committee and is currently Toora Primary School Council President.

Tara has lived almost all her life in Toora, except while at Uni and a three year stint living and working in London and travelling Europe. She currently lives in Toora with her husband, Pete and Schylar 15, Ella 7 and Tess 5. Tara enjoys being with her family, a good book, great food and wine.





KATE WHITTINGHAM – Customer Relationship Officer

Kate joined the bank in June 2016 and has had previous experience in the Banking Industry working with State Bank, Bank of Melbourne and Macquarie Bank.

Kate has recently returned home from Melbourne with two daughters who attend South Gippsland secondary and a son, now at Foster Primary School.

Kate is involved in the local Community through her children's sport. Her daughters play Netball for Fish Creek and her son has just finished his second season of Auskick at Fish Creek and is looking forward to Stingrays next year. Kate enjoys spending time with her family, travelling and the beach.

FAREWELLS:

This year past we said farewell to two valued team members; **SANDRA FARAGHER**, Branch Supervisor at Foster and **ALLEN VAN KUYK**, a past Chair, Deputy Chair and Board Member.

Sandra was with us for 15 years and Allen for 14.

The Board would like to thank them for their solid contribution to the provision of quality banking services to the Corner Inlet District.



2016 GRANTS & SCHOLARSHIP PROGRAM

The 2016 Promontory District **Community Bank**[®] Grants Program is facilitated by the Bendigo Bank Community Enterprise Foundation using funds from Promontory District Finance Group Ltd (PDFG).

Each year PDFG seeks to distribute its funds into as many varied community organisations as possible. However this financial year was a financially challenging year for the **Community Bank**[®] and as a result, many of this year's Grants were "Challenge" or "Conditional Grants", meaning that PDFG would pledge an amount and the organisation would have to match the amount or raise the balance of funds to complete their project. This allowed PDFG to support numerous projects and for the recipients to use our pledge letter to leverage extra capital from other funding bodies.

This year, instead of a Grants Presentation Night, the Branch Staff and Directors have visited each recipient organisation to present our contribution directly to the members. Whilst there, we also presented our Bigger Benefits Program.

The Bigger Benefits Program involves introducing the members of recipient organisations to a range of benefits they will receive by banking with the **Community Bank**[®]. The Program makes a clear link between the sponsorship/community investment and each member's banking choice, thereby potentially creating future revenue growth of the local **Community Bank**[®] and the continued availability of sponsorship/community investment funds for the whole Promontory District.

We were proud to once again offer a university Scholarship to a deserving local (details below). Our Scholarship program helps a keen, local student with the often debilitating costs of going to university.

Congratulations to all of the Grant and Scholarship recipients.

Promontory District Finance Group Ltd Grants

ORGANISATION	PROJECT	GRANT
South Gippsland Hospital	Youth Assist Clinic	\$10,000
Toora & District Pool	BBQ Shelter	\$2,500
Toora Bowls Club	New Men's Toilets	\$2,500
Fish Creek Memorial Hall	Roof Repairs	\$2,500
Toora Community Hall	Repaint Interior	\$2,500

Toora & Foster Community Bank[®] Scholarship Program

Adeline Collins	Tertiary Scholarship 1 st Year	\$5,000
Fiona Saliakos	Tertiary Scholarship 2 nd Year	\$5,000

2016 Promontory District Scholarship Program



Left: Michelle Neumann, Fiona Saliakos, Adeline Collins & Rebecca Parker

2016 Grants Recipients



SOUTH GIPPSLAND
HOSPITAL



Projects in the Community



Tea Cosy Festival

Contributed by Tea Cosy Committee

The Fish Creek Tea Cosy Festival is a biannual event that runs over eight (8) consecutive days in May that promotes the community of Fish Creek, welcomes visitors, celebrates the arts and craft and provides enjoyment for all involved. This is the third time the festival has been staged; the reputation of the festival has increased.

This year saw a record amount of people coming to enjoy what the festival had to offer, it brought business and cohesiveness to the local community, a platform for the crafts and awareness of our beautiful region to a wider audience. The Fish Creek Community groups staged events for all age groups throughout the festival week.

The grant provided by the Toora & District **Community Bank**[®], Foster branch and Welshpool agency contributed to being able to stage a very successful and safe Fair Day. The market stalls and free entertainment and your presence, complete with face painting and balloons, at this event provided the local community and the many visitors to our town with a most delightful day.

Thank you to our **Community Bank**[®] for supporting the community by helping to make this year's festival especially the fair / market day such a huge success.

Horse Arts Anzac

Along with the South Gippsland Shire and the Foster RSL, the Toora & District **Community Bank**[®], Foster branch and Welshpool agency were proud to provide major sponsorship for the Horse Arts Anzac Project facilitated by the Prom Coast Arts Inc.

The aim was to commemorate and honour the role of the horse during times of war, specifically those horses of the 8th Light Horse regiment (8 LHR). 8 LHR was a mounted rifles regiment (cavalry) of the Australian Army, raised from volunteers across Victoria and included riders and horses from South Gippsland. During the First World War, 8 LHR was deployed into Gallipoli, and later into Sinai and Palestine. Of 136,000 "walers" (the name given to Australian horses sent abroad), only one made it back to Australia.

The Project entailed the creation of 12 horse rugs by collaboration from local artists, schools and the community. During the local school excursions, the students enjoyed the presence of a horse and rider in the original 8 LHR uniform and tack. This spurred on much interest into the lives and experiences of soldiers and horses during times of war.

The completed Horse Rugs were shown during a performance at the Foster Show grand parade, thereafter went on display at the Federation Art Gallery at Korumburra and at the Stockyard Art Gallery in Foster.

Projects in the Community



Welshpool Rural Transaction Centre

Contributed by Rural Transaction Centre

The Welshpool & District Advisory Group became an Incorporated Entity in 1999 trading under the banner of the Welshpool Rural Transaction Centre, facilitated by The Welshpool and District Advisory Group. This was to be the first of rural transaction centres, funded by a Federal Government Grant and it is a credit to the Committees and staff over these years that it still remains a viable entity today. It made available to the rural community, services that had disappeared from the area, offering personal banking services, Centrelink, Veteran affairs, ATO, V/Line bus tickets and access to computers and the internet. It also provides Community Education Programs when funding was available. Open 5 days a week makes it convenient for all who need these services.

In later years we were to add the now very popular Op Shop and Nursery to the enterprise. The Op Shop in particular has flourished and has the reputation of being the best in the area. Many thanks to all our volunteers who help to keep this facility open 7 days per week.

In March this year, our personal banking provider closed all banking services to agencies such as the RTC. We have been very fortunate that the Bendigo Bank along with the Toora & District **Community Bank®** has now provided these services to Welshpool and its surrounding area, with whom we will endeavour to assist and grow the Bendigo Community Banking sector.

Relay for Life

Contributed by Relay for Life Committee

The 2016 South Gippsland Relay for Life was held in Fish Creek on the 19th and 20th of March. This year's event was hugely successful with 21 teams hosting 536 walkers who raised an amazing amount of \$78,273. This is an incredible effort which shows what a community can achieve when people work together for a common goal to support those who are currently battling cancer and honouring those we have lost.

This year, the Cancer Council Victoria acknowledged the dedication and hard work of South Gippsland's Relay for Life supporters by presenting us with the Dollar Buster award. This award shows that the South Gippsland Community is committed to ensuring that the most funds possible are raised to help support our community in the fight against cancer.

It is important that we continue to show that **Hope Lives** in fighting cancer and thanks to the generous sponsorship of the Toora & District **Community Bank®** Branch & Foster Branch and the support of the South Gippsland community, we can do this.

We look forward to another fantastic event in March 2017, the final Relay in Fish Creek before it moves to a new South Gippsland community.

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 2016.

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
Robert Liley (Chair)	9	12	11
Llewelyn Vale	17	12	10
Irene Spooner	17	12	10
David Roberts	17	12	9
Clive White	17	12	6
Peter Tilley	17	12	9
Irmela McIntyre	14	12	6
Allen Van Kuyk (Resigned January 2016)	15	5	3
Michelle Neumann	4	12	9
Joseph Bucello (Dep Chair)	2	12	8

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 2016

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	28 year's experience in public administration. 15 years mentoring community groups in Corporate governance.
Clive White	Solicitor	B.Juris LLB (Monash) Barrister & Solicitor	38 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.
Peter Tilley	Accountant	B.Commerce (Melbourne) Chartered Accountant, Company Auditor	35 years in Public Practice
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)	50 years growing own farming business. Volunteering on numerous community committees
Michelle Neumann	Office Manager	Various courses in Accounting, Financial and Administration Services	31 years working in the business and financial services industry.
Joseph Bucello	Self Employed	Bachelor of Electro-Mechanical Engineering	6 years Engineering experience 23 years Retail experience

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 \$74,086 (\$62,679 in 2015)

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:

	2016		2015	
	Budget	Actual	Budget	Actual
Total Banking Book	121.9M	117.4M	106.4M	111.8M
Total Revenues	896,770	853,104	841,546	861,648
Total Expenses	892,076	854,455	871,965	899,314
Net Profit / Loss	4,694	(1,352)	(30,419)	(37,665)
Grant's & Sponsorship	80,000	74,086	66,000	62,679

COMMITTEES OF THE BOARD

Audit & Finance Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Peter Tilley	3	3
Llewelyn Vale	3	3
Clive White	3	3
Michelle Neumann	3	2
Robert Liley	3	3

Corporate Governance Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Robert Liley	4	4
Allen Van Kuyk	3	2
Michelle Neumann	4	4
Irmela McIntyre	4	3
Joseph Bucello	4	4

Marketing Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
David Roberts	7	6
Neville Buckland	7	3
Irene Spooner	7	7
Llewelyn Vale	7	6
Catherine Waldron	7	5
Robert Liley	7	5
John Cheyne	5	5

Grant's Advisory Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Llewelyn Vale	1	1
Irene Spooner	1	1
Peter Tilley	1	0
Robert Liley	1	1
Irmela McIntyre	1	1
Michelle Neumann	1	0

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 2016 the number of members was 118.

Auditor's Independence

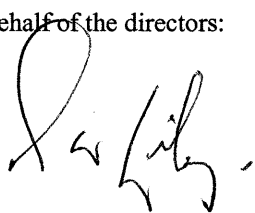
The auditors' declaration of independence appears on page 40 and forms part of the Directors' report for the year ended 30th June 2016.

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:

A handwritten signature in black ink, appearing to read 'R. Liley', is written over the text 'On behalf of the directors:'.

Robert Liley
Foster, 23 August 2016

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2016

	Note	Total 2016 \$	Total 2015 \$
<i>Revenue from ordinary activities</i>	2	853,104	861,648
Employee benefits expense	3	(470,457)	(485,597)
Depreciation and amortisation expense	3	(51,959)	(52,399)
Borrowing costs expense	3	(135)	(6,648)
Other expenses from ordinary activities		<u>(331,380)</u>	<u>(354,669)</u>
Profit / Loss from ordinary activities before income tax expense		(827)	(37,665)
TOTAL CHANGES IN EQUITY		<u><u>(827)</u></u>	<u><u>(37,665)</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 FINANCIAL POSITION
AS AT 30TH JUNE, 2016

	Note	Total 2016 \$	Total 2015 \$
CURRENT ASSETS			
Cash and cash equivalents	4	399,128	377,553
Trade and other receivables	5	90,807	82,460
TOTAL CURRENT ASSETS		<u>489,935</u>	<u>460,013</u>
NON-CURRENT ASSETS			
Trade and other receivables	5	6,554	12,728
Property, plant and equipment	6	256,452	273,623
Intangible assets	7	77,303	98,948
TOTAL NON-CURRENT ASSETS		<u>340,309</u>	<u>385,299</u>
TOTAL ASSETS		<u>830,244</u>	<u>845,312</u>
CURRENT LIABILITIES			
Trade and other payables	9	54,690	58,153
Short-term provisions	10	36,543	50,218
TOTAL CURRENT LIABILITIES		<u>91,233</u>	<u>108,371</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	8	155,390	155,390
Long-term provisions	10	6,210	3,313
TOTAL NON-CURRENT LIABILITIES		<u>161,600</u>	<u>158,703</u>
TOTAL LIABILITIES		<u>252,833</u>	<u>267,074</u>
NET ASSETS		<u>577,411</u>	<u>578,328</u>
EQUITY			
Retained earnings	11	577,411	578,238
TOTAL EQUITY		<u>577,411</u>	<u>578,238</u>
Contingent Liabilities and Contingent Assets	12	-	-
Capital Commitments	13	-	-

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, 2016

	Retained Earnings \$
Balance at 30 June 2014	615,903
Profit / Loss	(37,665)
Balance at 30 June 2015	<hr/> 578,238 <hr/>
Profit / Loss	(827)
Balance at 30 June 2016	<hr/> 577,411 <hr/>

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, 2016

	Note	Total 2016 \$ Inflows/ (Outflows)	Total 2015 \$ Inflows/ (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Bendigo Bank		915,916	940,357
Receipts from Telco commission		840	715
Receipts from other income		5,182	259
Interest received		9,995	11,794
Payments to suppliers and employees		(911,003)	(902,704)
Finance costs		-	(6,513)
Net cash provided by (used in) operating activities	14(b)	<u>20,930</u>	<u>43,908</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from lending		2,815	5,477
Purchase of investments		-	(28,061)
Purchase of property, plant and equipment		<u>(2,200)</u>	<u>(2,882)</u>
Net cash provided by (used in) investing activities		<u>615</u>	<u>(25,466)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		21,545	18,442
Cash at beginning of year		<u>222,033</u>	<u>203,591</u>
Cash at end of year	14(a)	<u><u>243,578</u></u>	<u><u>222,033</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 2016

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 2016

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 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.

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.

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 2016

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. Collectability 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.

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.

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 2016

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.

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 2016 the balance of the funds held by the CEF in respect of the company was \$26,966. (\$20,557 at the 30th June 2015).

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, 2016

NOTE 2. REVENUE

	Total 2016 \$	Total 2015 \$
Operating activities		
Franchise margin income	491,956	497,258
Commercial loan income	6,653	3,347
Commission income	171,076	174,680
Leasing/hire purchase income	2,539	2,916
Market development fund	100,000	100,000
Fee income	64,573	71,125
Telco commission	840	715
Interest	10,285	11,348
Other Income	5,182	259
Total revenue	<u>853,104</u>	<u>861,648</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, 2016

NOTE 3. PROFIT FROM ORDINARY ACTIVITIES

a) Expenses	Total 2016 \$	Total 2015 \$
Employee benefits expense		
Wages	417,700	431,081
Workcover	1,273	1,471
Superannuation - SG	39,522	38,839
Fringe benefits tax	6,741	6,409
Sundry Seconded Employee Expenses	5,221	7,797
Total employee entitlements	470,457	485,597
Borrowing cost expense		
Building loan interest	-	-
Refurbishment Loan	-	-
Contributors interest	-	6,513
Borrowing cost write off	135	135
Total borrowing costs	135	6,648
Depreciation of non-current assets		
Buildings and improvements	5,237	5,237
Furniture and fittings	9,577	12,143
Motor vehicles	4,557	6,509
Total depreciation	19,371	23,889
Amortisation of non-current assets		
Franchise fee	31,920	27,842
Goodwill	668	668
Total amortisation	32,588	28,510
Bad debts written off	165	85
Audit fees	3,650	3,550
Rental expense on operating leases		
Computer equipment	9,535	8,890
	9,535	8,890

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, 2016

NOTE 4. CASH AND CASH EQUIVALENTS

	Note	Total 2016 \$	Total 2015 \$
Cash at bank		121,260	102,717
Term Deposits		243,701	242,098
Term deposit (overdraft security)		17,821	16,821
Term deposit (rent security)		16,346	15,917
		<u>399,128</u>	<u>377,553</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.

NOTE 5. TRADE AND OTHER RECEIVABLES

		Total 2016 \$	Total 2015 \$
CURRENT			
Accrued interest		1,773	1,483
Income share from Bendigo Bank		79,860	75,162
Toora Football Netball Club		3,000	-
Brown Wigg Loan	15	6,174	5,815
		<u>90,807</u>	<u>82,460</u>
NON-CURRENT			
Brown Wigg Loan	15	6,554	12,728
Total Non-Current		<u>6,554</u>	<u>12,728</u>
TOTAL CURRENT AND NON-CURRENT RECEIVABLES		<u>97,361</u>	<u>95,188</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, 2016**

NOTE 6. PROPERTY, PLANT & EQUIPMENT

	Total 2016 \$	Total 2015 \$
Land at cost	27,524	27,524
Buildings and improvements at cost	209,428	209,428
Less accumulated depreciation	(34,188)	(28,951)
	<u>175,240</u>	<u>180,477</u>
Furniture and fittings at cost	200,950	198,750
Less accumulated depreciation	(157,895)	(148,318)
	<u>43,055</u>	<u>50,432</u>
Motor vehicles at cost	33,005	33,005
Less accumulated depreciation	(22,372)	(17,815)
	<u>10,633</u>	<u>15,190</u>
Total property, plant and equipment	<u><u>256,452</u></u>	<u><u>273,623</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	180,477	50,432	15,190	273,623
Additions	-	-	2,200	-	2,200
Disposals	-	-	-	-	-
Depreciation expense	-	(5,237)	(9,577)	(4,557)	(19,371)
Carrying amount at end of year	<u>27,524</u>	<u>175,240</u>	<u>43,055</u>	<u>10,633</u>	<u>256,452</u>

NOTE 7. INTANGIBLE ASSETS

	Total 2016 \$	Total 2015 \$
Goodwill at cost (agency buyout)	13,362	13,362
Less accumulated amortisation	(6,681)	(6,013)
Borrowing Costs	235	370
Prepaid Expenses	11,078	-
Set up costs	70,000	70,000
Less accumulated amortisation	(66,740)	(56,740)
Franchise fee	116,774	116,774
Less accumulated amortisation	(60,725)	(38,805)
Total intangible assets	<u><u>77,303</u></u>	<u><u>98,948</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, 2016

NOTE 8. BORROWINGS

	Note	Total 2016 \$	Total 2015 \$
NON-CURRENT			
Bank overdraft secured	15	155,390	155,390
Total non-current		<u>155,390</u>	<u>155,390</u>
 a) Total current and non-current secured liabilities:			
Bank overdraft	15	155,390	155,390
		<u>155,390</u>	<u>155,390</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		175,240	180,477
Contributions from supporters		137,569	138,570
Bank Deposits		17,821	16,821
		<u>358,154</u>	<u>363,392</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, 2016

NOTE 9. TRADE AND OTHER PAYABLES

	Total 2016 \$	Total 2015 \$
CURRENT		
GST payable	14,645	12,429
Accrued wages	2,249	14,614
Credit Card	160	130
Trade payables	24,263	25,779
Superannuation Payable	-	2,164
PAYG withholding payable	13,373	3,037
Total trade and other payables	54,690	58,153

NOTE 10. PROVISIONS

	Total 2016 \$	Total 2015 \$
CURRENT		
Annual leave	19,943	24,734
Long service leave	16,600	25,484
Total current employee entitlements	36,543	50,218
NON-CURRENT		
Long service leave	6,210	3,313
Total non-current employee entitlements	6,210	3,313

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, 2016

NOTE 11. RETAINED EARNINGS

	Total 2016 \$	Total 2015 \$
Retained earnings at the beginning of the financial year	578,238	615,903
Net profit	<u>(827)</u>	<u>(37,665)</u>
Retained earnings at the end of the financial year	<u>577,411</u>	<u>578,238</u>

NOTE 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent assets or liabilities at 30th June 2016.

NOTE 13. CAPITAL COMMITMENTS

There were no capital commitments at 30th June 2016.

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, 2016

NOTE 14. 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 2016 \$	Total 2015 \$
Cash at bank	121,260	102,717
Term deposit	277,868	274,836
Bank overdrafts	(155,390)	(155,390)
Credit Cards	(160)	(130)
	<u>243,578</u>	<u>222,033</u>

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

	Total 2016 \$	Total 2015 \$
Profit after income tax	(827)	(37,665)
Non-cash flows in profit		
Borrowing cost write off	135	135
Depreciation and amortisation	51,959	52,399
Changes in assets and liabilities		
(Increase)/decrease in receivables	(4,988)	6,475
(Increase)/decrease in prepayments	(11,079)	5,081
Increase/(decrease) in payables	(3,492)	9,218
Increase/(decrease) in employee entitlements	(10,778)	8,265
Cash flows from operations	<u>20,930</u>	<u>43,908</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, 2016

NOTE 15. 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	
	2016	2015	2016	2015	Within 1 year		1 to 5 years		2016	2015
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash & Cash Equivalents	2.85	2.85	121,261	102,717	260,047	258,015	-	-	17,821	16,821
Receivables	6.00	6.00	-	-	6,174	5,815	6,554	12,728	79,861	75,163
Total Financial Assets			121,261	102,717	266,221	263,830	6,554	12,728	97,682	91,984
Financial Liabilities										
Bank Overdraft Secured	-	-	-	-	-	-	-	-	155,390	155,390
Total Financial Liabilities			-	-	-	-	-	-	155,390	155,390

Supporters of the company have made contributions totalling \$155,390 as at 30th June, 2016 (\$155,390 - 2015)

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

NOTE 16. 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 2016 \$	Total 2015 \$
The Bendigo Superannuation Plan	33,352	30,734
Other Funds	6,170	15,374
	<u>39,522</u>	<u>46,108</u>

- (iii) There are no contributions outstanding at June 30th 2016.

- (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, 2016

NOTE 17. RELATED PARTY DISCLOSURES

	Total 2016 \$	Total 2015 \$
Responsible Persons		

The Members of the Board during the year were:

Mrs. Irene Spooner
Mr. Llewelyn Vale
Mr. Clive White
Mr. David Roberts
Mr. Peter Tilley
Mr. Allen Van Kuyk (resigned January 2016)
Mrs. Irmela McIntyre
Mr. Robert Liley
Mrs. Michelle Neumann
Mr. Joseph Bucello

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 30th June, 2016 was \$19,319.

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

NOTE 18. 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:

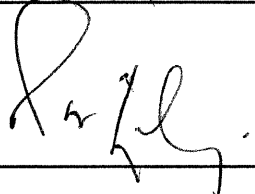
In the directors' opinion there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.

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 2016 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.





Director

Director

Dated the 23rd day of August, 2016

Foster, Victoria.

AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF *THE CORPORATIONS ACT 2001*

TO THE DIRECTORS OF PROMONTORY DISTRICT FINANCE GROUP LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there has been:

- (i) no contraventions of the auditor's 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.

CARDELL ASSURANCE & AUDIT



Lyndal J. McKenzie
Registered Company Auditor
3A Billson Street
WONTHAGGI VIC 3995

17 August 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PROMONTORY DISTRICT FINANCE GROUP LTD

Report on the Financial Report

We have audited the accompanying financial report of Promontory District Finance Group Ltd which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements* that the financial statements comply with International Financial Reporting Standards.

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. Those 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 company's preparation of the financial report 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 our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of Promontory District Finance Group Ltd, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

- a. 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 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

CARDELL ASSURANCE & AUDIT

Lyndal J. McKenzie
3A Billson Street
WONTHAGGI VIC 3995

5 September 2016

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Franchisee:

Promontory District Finance Group Ltd
48 Stanley Street, Toora Victoria 3962
ACN 085 537 328

Toora & District **Community Bank®** Branch
48 Stanley Street, Toora Victoria 3962
Phone: 03 5686 2000
www.bendigobank.com.au/toora

Foster Branch
68 Main Street, Foster Victoria 3960
Phone: 03 5682 2287
www.bendigobank.com.au/foster

Welshpool Agency
14 Main Street, Welshpool Victoria 3966
Phone: 03 5688 1051
www.welshpool.vic.au/rtc.htm