



Annual Report 2017

Promontory District Finance Group Ltd

ABN 69 085 537 328

Toora & District Community Bank® Branch and Foster branch

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 customers and community.

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

2016 - 2017

With pleasure I submit the 18th Chairman's report for the Promontory District Finance Group Limited.

This financial year has presented the company with a number of challenges and opportunities. The challenges are being met by the Board in a professional and positive manner. We are using the opportunities to put in place sound business practices for the future.

The company continues to grow and perform for the community in the manner for which it was originally set up. However, the climate for banking is a challenge with margins continuing to be tight again this year.

The new Transfer Pricing Agreement has worked in our favour because of the makeup of our book and it is giving the company some financial advantage over the previous system. The Board and staff are proud that we have again this year maintained our interest payments to our loyal contributors as well as disbursing throughout the community \$55,753 either through grants, sponsorship, scholarships or the Community Enterprise FoundationTM.

The products provided by banks develop each year but face to face banking continues to be a big part of that service. The opening of the Welshpool agency is providing an important and valuable service to that community. Negotiations continue with the hope that the Meeniyen agency will once again provide banking services for that community.

The Board's thanks go to Bendigo Bank's Regional personnel for their ongoing support for our banking business.

The Board extends its thanks to our dedicated staff who continue to provide professional banking services to all our valued customers and supporters of our **Community Bank**[®] company. To the company's Executive Officer, I extend my thanks for her professionalism and hard work.

The company looks forward to celebrating two major milestones in the near future. The Promontory Finance Group Limited is about to reach the figure of \$1 million of contribution investments back into the community. These contributions, to a range of local organisations including the arts, sport, health care and education, continue to help create a vibrant and strong Promontory district.

We are also about to celebrate ten years since the opening of our Foster branch.

Finally, my thanks go to the Promontory District Finance Group Limited's Board and committee members for their dedication and service as volunteers to the business. The work they do can never be over-stated.

The benefit to the community can be partly measured in monetary reinvestment but the ripple effect of that investment is immeasurable.

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**[®].



MICHELLE NEUMANN – Company Secretary

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 32nd 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.



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.



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.



IRMELA McINTYRE – Board Member

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.

DAVID ROBERTS – Board Member

David has resided in the Toora and Foster area for over seventy seven 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.

JOHN CHEYNE – Board Member

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.



**JILLIAN THROCKMORTON – Executive Officer for PDFG**

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®**.

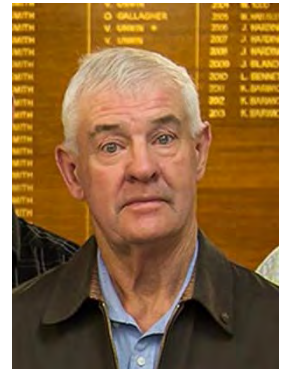
Jill is an active member of the community, being a member of the Welshpool and District Primary School Council and President of the Parents Club, Prom Coast Soccer Club, the Prom Coast Centres for Children and the Corner Inlet Swimming Club (Dolphins).

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.

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 Meeniyan for twenty nine years. She opened her hairdressing salon in Meeniyan twenty eight years ago.

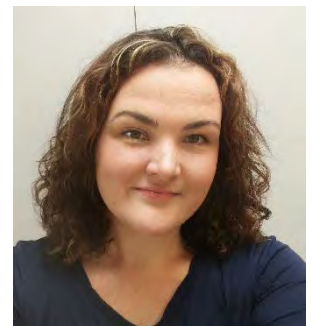
Catherine is an active member of the Meeniyan community having chaired the kinder committee and school council. She is also an inaugural member of the Meeniyan tourism and traders association and active organizer of the Meeniyan on Fire festival.

ALISHA (ROSE) ADAMS

Rose was born in Foster and returned to the area to complete her high school education after spending many of her early years travelling throughout Australia with parents Andrea and Tony. She again returned from Melbourne after graduating Bachelor of Psychological Science with Honours from Latrobe University in 2012.

She is currently working in the Real Estate industry, running her own business, studying via distance education and is a passionate and enthusiastic volunteer with several community groups including the Community Bank marketing committee.

Her interests include gardening, nutrition, graphic design and dog training. She and her husband have recently purchased their first home in Toora North.



Branch Report

For year ending 30 June 2016

The 2016/17 financial year saw banking continue to change with the ongoing evolution of the electronic banking environment. Whilst the numbers of customers physically visiting our branches continues to decrease, we are working hard to increase our relationships with our customers with much of our interaction now taking place via telephone and email. Our branch structures and staffing continue to adapt to the changes in the banking environment to ensure we remain efficient in meeting our customers' needs.

In May 2017 Toora & District **Community Bank**[®] Branch saw a slight reduction in hours with the branch now operating from 9.30am – 4.00pm Monday to Friday. This slight reduction in hours has delivered minimal impact to our customers. Toora & District **Community Bank**[®] Branch are committed to ensuring our banking service remains in Toora where our banking journey began in 1999. Be assured we are here to stay. Foster branch continued to offer Saturday morning trading from 9.00am – 12.00 midday for the added convenience of our customers.

Staff have been focused on ensuring our customers are aware we are a full financial services provider offering many products in addition to everyday bank accounts and traditional lending. A recent focus on insurance by our skilled branch staff resulted in a large growth in insurance sales this financial year, ensuring our customers assets are protected whilst generating income for our business to reinvest into our local community.

Our staff are incredibly proud to have reached \$990,000 reinvested into our local community via our grants and sponsorships. This figure will very soon reach \$1 million. With the support of our local community, simply by individuals choosing to use our **Community Bank**[®] branch to meet their financial needs; this figure will continue to grow and make our community even stronger.

Our relationship with the Rural Transaction Centre who operate the Bendigo Bank agency in Welshpool, has continued to grow. This year we launched our referral program partnering with Toora Football Netball Club and Prom Coast Children's Services. This program offers financial incentives to the clubs and benefits to their members via our Big Bendigo Benefits Program. These partnerships will continue to grow our investment into the local community while providing financial services to the organisations and their members.

Customer Relationship Manager Rob Mitchell departed in October 2016 deciding to return to Adelaide. We wish him well for the future. In January 2017 Sharon Demaria joined the team as our Customer Relationship Manager. Sharon has many years prior banking experience and is proving to be a great addition to our business.

Thank you to Rob Liley, (Chairman) along with the Directors of Promontory District Finance Group Limited who volunteer their time, efforts and knowledge to ensure we can continue to provide a quality banking service with ongoing benefits to our local community.

Karen Dorling
Customer Relationship Officer

THE BRANCH TEAM



REBECCA PARKER – Branch Manager, Toora & Foster

Rebecca has been with the Bendigo Bank for 5 years and with PDFG for the last 4 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.

SHARON DEMARIA – Customer Relationship Manager, Toora & Foster

Sharon joined the bank in 2017 after a short break from banking, during which time she worked for a local Real Estate Company. Sharon comes to our team with over 10 years local banking experience.

Sharon is passionate about retaining services in our local community. She has recently served as a committee member on the Welshpool & District Advisory Group and previously managed the Welshpool Rural Transaction Centre. The bank's Community focus was a key consideration for Sharon when applying for her role with us.

Sharon lives in Welshpool with her two daughters. In her spare time she enjoys hiking and loves travelling and spending time with her family.



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.

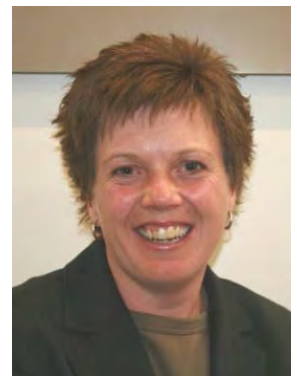
Karen and her husband Andrew live in Fish Creek and have three children. Karen is involved in the community in numerous ways including being current Treasurer of the Corner Inlet Pony Club Inc and a member of the Corner Inlet Motor Cycle Club.

MICHELLE WALKER – Senior Customer Service Officer, Toora & Foster

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 joined the Community Bank family in April 2011.

Terri lives locally with her husband Peter and son Kieran, who is a 4th year apprentice mechanic, and daughter Yasmin who is currently in Year 12.

Their two older daughters, Monique & Ashlee have moved out of the family home and are both working full time. 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.

Trudy started with the Community Bank in September 2007.

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 16, Ella 8 and Tess 6. Tara enjoys being with her family, a good book, great food and wine.

**KATE WHITTINGHAM – Customer Service Officer**

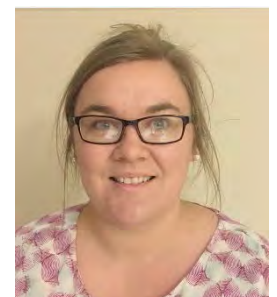
Kate joined the Bank in June 2016 and has previous experience in the banking Industry working with State Bank, Bank of Melbourne and Macquarie Bank.

Kate lives locally with her 3 children and enjoys travelling and spending time with her family.

TARRYN McKENZIE – Customer Service Officer

Tarryn joined Bendigo Bank in August 2016 after previously working at IGA. Tarryn has lived in Foster most of her life and is actively involved in Foster Netball Club, and is currently Treasurer.

Tarryn enjoys spending time with her partner John, her family and travelling.



FAREWELLS:

This year past we said farewell to two valued team members; **ANNE PALMER**, Branch Supervisor and **ROBERT MITCHELL**, Customer Relationship Manager.

The Board would like to thank them for their solid contribution to the provision of quality banking services to the Corner Inlet District and wish them both well in their new endeavours.



Why Community Banking?

➔ It's simple

1

You choose to bank with your locally-owned **Community Bank®** branch.

2

You select from a competitive range of banking products.

3

The local community shares in the income generated by your banking. The more you bank with us, the more the community benefits.

4

The community owned company, not Bendigo Bank, chooses which community projects receive support.

Your Banking can make a difference

2017 GRANTS & SCHOLARSHIP PROGRAM

The 2017 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.

The presentations were held at the Toora Bowls Club Rooms. 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.

Along with the Presentation Night the Branch Staff and Directors will visit each recipient organisation to present 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
Sandy Point Music Club	Portable Stage	\$1,536
Fish Creek Community Garden	Irrigation System for Buckley Park Farm	\$500
Manna Gum Community Garden	Fire Pit for Event Area	\$550
Pt Franklin Hall Com'tee	Curtain Replacement	\$600
Dumbalk & District Progress Assoc	Office Furniture for Consulting Suites	\$1,250
Welshpool Rural Transaction Centre	New Photocopier	\$2,000
Toora Cricket Club	Replace Pitch & Cover	\$3,836

Toora & Foster Community Bank[®] Scholarship Program

Sharni Cripps	Tertiary Scholarship 1 st Year	\$5,000
Adeline Collins	Tertiary Scholarship 2 nd Year	\$5,000

2017 Promontory District Scholarship Program



Left: Rebecca Parker, Adeline Collins, Sharni Cripps & Irene Spooner

2017 Grants Recipients



Projects in the Community



Prom Coast Seachange Festival

Contributed by Seachange Committee

Extending across two weeks, and with around 60 events having showcased the best the Prom Coast has to offer, support for the Seachange Festival, both local and from further afield, has ensured a highly successful series of events for 2017.

From attracting internationally renowned artists such as The Grigoryan Brothers, and celebrating those within our community of similar calibre, to drawing community and visitors together through larger-scale events such as the Seachange Fun Food Fair and the Makers Market, the festival committee always endeavours to put forward a diverse program of events.

The festival provides a structure that is driven from within the community; one that not only makes the most of established activities and emerging skill-sets but, importantly, fosters quality events that draw attention to, and celebrate, this magnificent region.

“The Prom Coast community can be proud that it has drawn together, worked incredibly hard, shown it’s best and represented itself as a great place to visit and a great place to live,” affirmed Festival Chair Deb Bray.

The **Community Bank**[®] acknowledges the hard work that goes into the festival and confirmed that, from early on, the bank recognised the festival as a winner for the community and the community’s bank.

Prom Coast Soccer Club

Contributed by PCSC Committee

Prom Coast Soccer Club is located at the Arthur Sutherland Rec Reserve in Welshpool. The catchment area ranges from Yarram through to Fish Creek, with players in 2017 participating from these areas. Prom Coast SC prides itself on being an inclusive, family focused club that encourages participation from children of all abilities and experience.

The Gippsland Soccer League presented Prom Coast SC with ‘Club of the Year 2016’ for our 40% growth in players, positive attitude to soccer and the GSL competition and sportsmanship.

In 2017, the committee has worked hard to again grow our club to now include teams for Under 10, Under 12, Women and Men’s Reserve.

The Prom Coast Soccer Club Committee is extremely grateful for the support given from their local **Community Bank**[®], all of which has helped tremendously with keeping up with the rapid Club growth. The **Community Bank**[®] sponsors our weekly Player of the Day for both the U10’s and U12 sides, as well as our end of year awards. Their sponsorship also enabled the purchase of a new set of Junior Goals for our U10 side.

Projects in the Community



The South Gippsland Hospital Youth Assist Clinic (YAC)

Contributed by South Gippsland Hospital

The South Gippsland Hospital Youth Assist Clinic (YAC) has been operating now for 6 years. YAC is a health clinic that can address the social, emotional, sexual, mental and/or general health needs of adolescents. It is held as an outreach model in a youth friendly environment within the Foster township. The SGH Youth Assist Clinic is available to all young people in the corner inlet area aged between 10-25 years of age. It operates weekly as a partnership between South Gippsland Hospital (SGH) and the Foster Medical Centre (FMC) staffed by an Adolescent Health Nurse and two specially trained volunteers from SGH and a GP and Mental Health Nurse from FMC.

The service also provides support for the family, friends and/or carers of the young person being treated. This may be in the form of education regarding issues, involvement in treatment plans and/or support to understand the young person's concerns. The general population also benefits from improved health outcomes in its youth population via increased participation in community and enhanced wellbeing overall.

The Toora and District **Community Bank**[®] branch, through the Community Foundation, has supported the Youth Assist Clinic for 6 years, initially with a seeding grant to get us up and running and then contributing to our operating costs every year since we opened. Over the 2016 year we had a total of 353 presentations at the clinic, which is an increase of 193 presentations, or a growth rate of 120%, since commencing in 2011.

The strong, ongoing, local support from the Toora and District **Community Bank**[®] has contributed to the success of the clinic and has positively changed the lives of many of the young people in this area and we for this we are very grateful.

Waratah to Sandy Point Fun Run

Contributed by Fish Creek FNC

The Fish Creek Football Netball Club is so proud to run the extremely popular 8km Community Fun Run from Waratah Bay to Sandy Point, held every January and is now in its thirteenth year thanks to the Toora & Foster **Community Bank**[®]'s support.

This annual event hosts approximately 400 participants and is a very fun, family orientated affair, popular amongst not only locals but many holiday makers who habitually flock to our coastal retreats over summer. It is for walkers or more serious runners ranging in age from under 10 years to 80 years or older. It has huge health, social and emotional benefits for all because it is just such a great day for all participants.

The event is well supported by the Waratah Surf Lifesaving Club who serve up a delicious barbeque after the completion of the event and also perform the very vital role of first aid for anyone who may require it during the run or walk. The Club also has over thirty dedicated volunteers to enable the day to run smoothly.

With the ongoing support of the local **Community Bank**[®], the Fish Creek Football Netball Club hopes to continue the well-known Community Fun Run tradition for many more years to come.

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 2017.

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)	10	11	9
Llewelyn Vale	18	11	11
Irene Spooner	18	11	11
David Roberts	18	11	6
Clive White (leave of absence)	18	1	1
Peter Tilley	18	11	8
Irmela McIntyre	15	11	6
Michelle Neumann	5	11	9
Joseph Bucello (Dep Chair)	3	11	9
John Cheyne (appointed August 2016)	1	10	9

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 2017

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	29 year's experience in public administration. 15 years mentoring community groups in Corporate governance.
Clive White	Solicitor	B.Juris LLB (Monash) Barrister & Solicitor	39 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	36 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)	51 years growing own farming business. Volunteering on numerous community committees
Michelle Neumann	Office Manager	Various courses in Accounting, Financial and Administration Services	32 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
John Cheyne	Farmer		37 years working in the Public Sector. Long term volunteer in numerous not for profit organisations.

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 \$55,753 (\$74,086 in 2016)

Performance Measures

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

- to review its 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:

	2017		2016	
	Budget	Actual	Budget	Actual
Total Banking Book	123.2M	119.2M	121.9M	117.4M
Total Revenues	930,686	934,736	896,770	853,104
Total Expenses	886,616	910,983	892,076	853,931
Net Profit / Loss	44,070	23,754	4,694	(827)
Grant's & Sponsorship	26,000	55,753	80,000	74,086

COMMITTEES OF THE BOARD

Audit & Finance Committee

DIRECTORS	MEETINGS	MEETINGS
	Number Eligible To Attend	Number Attended
Peter Tilley	4	4
Llewelyn Vale	4	4
Michelle Neumann	4	2
Robert Liley	4	3

Corporate Governance Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Robert Liley	4	4
Michelle Neumann	4	3
Irmela McIntyre	4	2
Joseph Bucello	4	4
John Cheyne	2	1

Marketing Committee

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

Grant's Advisory Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Llewelyn Vale	2	0
Irene Spooner	2	2
Peter Tilley	2	2
Robert Liley	2	2
Irmela McIntyre	2	0
Michelle Neumann	2	2
John Cheyne	2	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 2017 the number of members was 117.

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 2017.

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 a faint horizontal line.

Robert Liley

Foster, 23 August 2017

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2017

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2017

	Note	Total 2017 \$	Total 2016 \$
<i>Revenue from ordinary activities</i>	2	934,736	853,104
Employee benefits expense	3	(504,213)	(470,457)
Depreciation and amortisation expense	3	(41,742)	(51,959)
Borrowing costs expense	3	(6,675)	(135)
Other expenses from ordinary activities		<u>(358,352)</u>	<u>(331,380)</u>
Profit / Loss from ordinary activities before income tax expense		23,754	(827)
TOTAL CHANGES IN EQUITY		<u><u>23,754</u></u>	<u><u>(827)</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, 2017

	Note	Total 2017 \$	Total 2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	466,262	399,128
Trade and other receivables	5	92,217	90,807
TOTAL CURRENT ASSETS		<u>558,479</u>	<u>489,935</u>
NON-CURRENT ASSETS			
Trade and other receivables	5	-	6,554
Property, plant and equipment	6	240,556	256,452
Intangible assets	7	49,346	77,303
TOTAL NON-CURRENT ASSETS		<u>289,902</u>	<u>340,309</u>
TOTAL ASSETS		<u>848,381</u>	<u>830,224</u>
CURRENT LIABILITIES			
Trade and other payables	9	51,181	54,690
Short-term provisions	10	30,722	36,543
TOTAL CURRENT LIABILITIES		<u>81,903</u>	<u>91,233</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	8	155,390	155,390
Long-term provisions	10	9,923	6,210
TOTAL NON-CURRENT LIABILITIES		<u>165,313</u>	<u>161,600</u>
TOTAL LIABILITIES		<u>247,216</u>	<u>252,833</u>
NET ASSETS		<u>601,165</u>	<u>577,411</u>
EQUITY			
Retained earnings	11	601,165	577,411
TOTAL EQUITY		<u>601,165</u>	<u>577,411</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, 2017

	Retained Earnings \$
Balance at 30 June 2015	578,238
Profit / Loss	(827)
Balance at 30 June 2016	<hr/> 577,411 <hr/>
Profit / Loss	23,754
Balance at 30 June 2017	<hr/> 601,165 <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, 2017

	Note	Total 2017 \$ Inflows/ (Outflows)	Total 2016 \$ Inflows/ (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Bendigo Bank		1,008,125	915,916
Receipts from Telco commission		207	840
Receipts from other income		2,159	5,182
Interest received		11,268	9,995
Payments to suppliers and employees		(963,029)	(911,003)
Net cash provided by operating activities	14(b)	<u>58,730</u>	<u>20,930</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from lending		8,174	2,815
Purchase of property, plant and equipment		-	(2,200)
Net cash provided by investing activities		<u>8,174</u>	<u>615</u>
Net increase in cash held		66,904	21,545
Cash at beginning of year		<u>243,578</u>	<u>222,033</u>
Cash at end of year	14(a)	<u><u>310,482</u></u>	<u><u>243,578</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 2017

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 2017

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 2017

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 2017 the balance of the funds held by the CEF in respect of the company was \$10,031. (\$26,966 at the 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, 2017

NOTE 2. REVENUE

	Total 2017 \$	Total 2016 \$
Operating activities		
Franchise margin income	677,607	491,956
Commercial loan income	10,252	6,653
Commission income	74,092	171,076
Leasing/hire purchase income	1,946	2,539
Market development fund	97,917	100,000
Fee income	59,484	64,573
Telco commission	207	840
Interest	11,072	10,285
Other Income	2,159	5,182
Total revenue	<u>934,736</u>	<u>853,104</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, 2017

NOTE 3. PROFIT FROM ORDINARY ACTIVITIES

a) Expenses	Total 2017 \$	Total 2016 \$
Employee benefits expense		
Wages	451,067	417,700
Workcover	1,155	1,273
Superannuation - SG	39,985	39,522
Fringe benefits tax	7,379	6,741
Sundry Seconded Employee Expenses	4,627	5,221
Total employee entitlements	<u>504,213</u>	<u>470,457</u>
Borrowing cost expense		
Borrowing cost write off	135	135
Contributors interest	5,527	-
Overdraft interest	1,013	-
Total borrowing costs	<u>6,675</u>	<u>135</u>
Depreciation of non-current assets		
Buildings and improvements	5,237	5,237
Furniture and fittings	7,468	9,577
Motor vehicles	3,189	4,557
Total depreciation	<u>15,894</u>	<u>19,371</u>
Amortisation of non-current assets		
Franchise fee	25,180	31,920
Goodwill	668	668
Total amortisation	<u>25,848</u>	<u>32,588</u>
Bad debts written off	<u>(6)</u>	<u>165</u>
Audit fees	<u>3,750</u>	<u>3,650</u>
Rental expense on operating leases		
Computer equipment	10,841	9,535
	<u>10,841</u>	<u>9,535</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, 2017

NOTE 4. CASH AND CASH EQUIVALENTS

	Note	Total 2017 \$	Total 2016 \$
Cash at bank		165,846	121,260
Term Deposits		250,837	243,701
Term deposit (overdraft security)		32,821	17,821
Term deposit (rent security)		16,758	16,346
		<u>466,262</u>	<u>399,128</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 2017 \$	Total 2016 \$
CURRENT			
Accrued interest		1,577	1,773
Income share from Bendigo Bank		83,086	79,860
Toora Football Netball Club		1,000	3,000
Brown Wigg Loan	15	6,554	6,174
		<u>92,217</u>	<u>90,807</u>
NON-CURRENT			
Brown Wigg Loan	15	-	6,554
Total Non-Current		<u>-</u>	<u>6,554</u>
TOTAL CURRENT AND NON-CURRENT RECEIVABLES		<u>92,217</u>	<u>97,361</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, 2017

NOTE 6. PROPERTY, PLANT & EQUIPMENT

	Total 2017 \$	Total 2016 \$
Land at cost	27,524	27,524
Buildings and improvements at cost	209,428	209,428
Less accumulated depreciation	(39,425)	(34,188)
	<u>170,003</u>	<u>175,240</u>
Furniture and fittings at cost	200,950	200,950
Less accumulated depreciation	(165,363)	(157,895)
	<u>35,587</u>	<u>43,055</u>
Motor vehicles at cost	33,003	33,003
Less accumulated depreciation	(25,561)	(22,372)
	<u>7,442</u>	<u>10,631</u>
Total property, plant and equipment	<u><u>240,556</u></u>	<u><u>256,450</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	175,240	43,055	10,631	256,450
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	-	(5,237)	(7,468)	(3,189)	(15,894)
Carrying amount at end of year	<u><u>27,524</u></u>	<u><u>170,003</u></u>	<u><u>35,587</u></u>	<u><u>7,442</u></u>	<u><u>240,556</u></u>

NOTE 7. INTANGIBLE ASSETS

	Total 2017 \$	Total 2016 \$
Goodwill at cost (agency buyout)	13,362	13,362
Less accumulated amortisation	(7,349)	(6,681)
Borrowing Costs	100	235
Prepaid Expenses	9,104	11,078
Set up costs	70,000	70,000
Less accumulated amortisation	(70,000)	(66,740)
Franchise fee	116,774	116,774
Less accumulated amortisation	(82,645)	(60,725)
Total intangible assets	<u><u>49,346</u></u>	<u><u>77,303</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, 2017

NOTE 8. BORROWINGS

	Note	Total 2017 \$	Total 2016 \$
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		170,003	175,240
Contributions from supporters		122,569	137,569
Bank Deposits		32,821	17,821
		<u>352,917</u>	<u>358,154</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, 2017

NOTE 9. TRADE AND OTHER PAYABLES

	Total 2017 \$	Total 2016 \$
CURRENT		
GST payable	17,732	14,645
Accrued wages	4,173	2,249
Credit Card	390	160
Trade payables	24,905	24,263
PAYG withholding payable	3,981	13,373
Total trade and other payables	<u>51,181</u>	<u>54,690</u>

NOTE 10. PROVISIONS

	Total 2017 \$	Total 2016 \$
CURRENT		
Annual leave	19,774	19,943
Long service leave	10,948	16,600
Total current employee entitlements	<u>30,722</u>	<u>36,543</u>
NON-CURRENT		
Long service leave	9,923	3,313
Total non-current employee entitlements	<u>9,923</u>	<u>3,313</u>

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

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

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

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

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2017

NOTE 11. RETAINED EARNINGS

	Total 2017 \$	Total 2016 \$
Retained earnings at the beginning of the financial year	577,411	578,238
Net profit	<u>23,754</u>	<u>(827)</u>
Retained earnings at the end of the financial year	<u><u>601,165</u></u>	<u><u>577,411</u></u>

NOTE 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent assets or liabilities at 30th June 2017.

NOTE 13. CAPITAL COMMITMENTS

There were no capital commitments at 30th June 2017.

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, 2017

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 2017 \$	Total 2016 \$
Cash at bank	165,846	121,260
Term deposit	300,416	277,868
Bank overdrafts	(155,390)	(155,390)
Credit Cards	(390)	(160)
	<u>310,482</u>	<u>243,578</u>

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

	Total 2017 \$	Total 2016 \$
Profit after income tax	23,754	(827)
Non-cash flows in profit		
Borrowing cost write off	135	135
Depreciation and amortisation	41,742	51,959
Changes in assets and liabilities		
(Increase)/decrease in receivables	(3,030)	(4,988)
(Increase)/decrease in prepayments	1,976	(11,079)
Increase/(decrease) in payables	(3,739)	(3,492)
Increase/(decrease) in employee entitlements	(2,108)	(10,778)
Cash flows from operations	<u>58,730</u>	<u>20,930</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, 2017

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	
	2017	2016	2017	2016	Within 1 year		1 to 5 years		2017	2016
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash & Cash Equivalents	2.40	2.85	166,506	121,261	267,596	260,047	-	-	32,821	17,821
Receivables	6.00	6.00	-	-	6,554	6,174	-	6,554	83,086	79,861
Total Financial Assets			166,506	121,261	274,150	266,221	-	6,554	115,907	97,682
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, 2017 (\$155,390 - 2016)

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 2017 \$	Total 2016 \$
The Bendigo Superannuation Plan	30,264	33,352
Other Funds	34,242	6,170
	<u>64,506</u>	<u>39,522</u>

- (iii) There are no contributions outstanding at June 30th 2017.

- (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, 2017

NOTE 17. RELATED PARTY DISCLOSURES

	Total 2017 \$	Total 2016 \$
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Responsible Persons

The Members of the Board during the year were:

Mrs. Irene Spooner
Mr. Llewelyn Vale
Mr. Clive White
Mr. David Roberts
Mr. Peter Tilley
Mrs. Irmela McIntyre
Mr. Robert Liley
Mrs. Michelle Neumann
Mr. Joseph Bucello
Mr. John Cheyne

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, 2017 was \$19,910.

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 2017 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.



Robert William Hiley
Director



Director Irene Skarvelis

Dated the 23rd day of August, 2017

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 2017 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

18 August 2017

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

Opinion

We have audited the financial report of Promontory District Finance Group Limited, which comprises the Statement of Financial Position as at 30 June 2017, 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 to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Promontory District Finance Group Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial report" section of our report.

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

Independence

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

Responsibilities of the directors' 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 the *Corporations Act 2001* and Australian Accounting Standards – Reduced Disclosure Requirements and for such internal control 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.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operation, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism through the audit. The audit involves us:

- Identifying and assessing the risk of material misstatement of the financial report, whether due to fraud or error, designing and performing audit procedures responsive to those risks, obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluding on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report presents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, where applicable, related safeguards.

Other information

The directors are responsible for the other information provided in the company's annual report for the year ended 30 June 2017 other than the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion there.

In connection with our audit of the financial report, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

CARDELL ASSURANCE & AUDIT

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25 August 2017

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