

Annual Report 2018

Promontory District Finance Group Limited

Toora & District **Community Bank®**
Branch & Foster branch

ABN 69 085 537 328



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

2017 - 2018

With pleasure I submit the 19th Chairman's report for the Promontory District Finance Group Limited.

The challenges for the Banking sector have again, as in the previous 2 years, been substantial. The Board has been very mindful of the tight margins in banking. This has been reflected in our Company profit of \$75,181. However the company has maintained its interest payments to our loyal contributors. This year we reached the significant milestone of disbursing over \$1m throughout the Promontory District to a diverse group of organisations, clubs and individuals. The Board along with our staff are very proud that we have been able to support our community for the past 19 years in a very real way.

During the year the Board very reluctantly accepted Irmela McIntyre's resignation after 16 years of service. Irmela was Company Secretary for many years and a valued Board and committee member. We thank her for her dedication and hard work whilst wishing her all the best. Our Manager Rebecca Parker resigned from the Bank during the year and we thank her for her work and wish her well in her new endeavours.

Sharon Demaria was promoted to Manager after having joined the staff earlier with a strong background in banking management.

Two of our staff members Michelle Walker and Trudy Heiser achieved significant milestones of 10 years' service during the year. We thank them for their service and dedication. Faye Harris joined our staff bringing with her great banking credentials.

We welcomed Gillian Nicoll as a board member during the year and she brings new skills to the Board table.

We welcomed guest observers Andrew Oldroyd and Will Morris this year to our board meetings.

It has been a year of changes and celebrations of significant milestones. Foster branch achieved 10 years banking for that town.

My thanks go to our Manager Sharon and the team for their service to our customers. Banking is changing and our team are very mindful of keeping up with our customers' requirements.

Our Executive Officer Jillian Throckmorton continues to support the Board in all her work. We thank her for her diligence and thoughtfulness.

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

My thanks go to all the Board members for their commitment to the Community in their work on the Board. To the Deputy Chair, Llew Vale go my thanks for all the work he does which is above and beyond all expectations.

The Company looks forward to the challenges of banking and also to distributing the next \$1m back into the community.

Rob 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.

LLEWELYN VALE, OAM – Deputy Chairman

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.



JOE BUCELLO – Company Secretary

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®**.



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.



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 33rd 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.



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.



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.



Gillian Nicoll – Board Member

Gillian studied and worked in NSW before moving to Gippsland in 1998. In 2000, Gillian married Graeme and they began farming in partnership at Hoddle. Graeme & Gillian have 2 boys. For 12 years Gillian has run her own business working as a facilitator managing engagement processes, evaluation and projects.

Gillian is passionate about rural communities and has had involvement in many local community groups. She values the contribution that the **Community Bank**[®] makes to the South Gippsland community and is proud to be a Director on The Promontory District Finance Group Ltd board.





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®**.

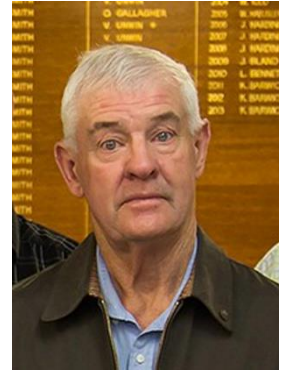
Jill is an active member of the community, being a member of the Welshpool and District Primary School Council and President of the Parents Club, Prom Coast Soccer Club, and the Corner Inlet Swimming Club (Dolphins).

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 Meeniyah for thirty years. She opened her hairdressing salon in Meeniyah twenty nine 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.

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.



Branch Report

For year ending 30 June 2018

I take great pleasure in submitting my first Annual Report. In many ways this has been a year of milestones for the Toora and District **Community Bank**[®] Branch and the Foster Branch of the Bendigo Bank.

Foster branch celebrated its 10th birthday with cupcakes and banners in branch.

We said good-bye to Board Member, Irmela McIntyre after 16 years' service. The staff would like to take this opportunity to thank Irmela and our other Board Members for the amazing job they do. The relationship between the Board and our Branch Staff is a key factor in our ongoing success.

Staff members Trudy Heiser and Michelle Walker both received their 10 years' service award. Trudy and Michelle have played an important role in the success of the business over this time. Both ladies provide exceptional service to our customers and are passionate about giving back to our community. I would like to acknowledge the work they do and extend this gratitude to the rest of the branch team. Thank you ladies. I would also like to welcome new team member Faye Harris. Faye comes to us with a strong customer service ethic and a lifetime career in banking.

We celebrated a major milestone giving our millionth dollar to the local community. This is a milestone that all our Board, Staff and Contributors should be proud of. However most proud of all should be our Customers. Bendigo Bank offer a full range of competitive banking products provided by experienced Bankers who care for our customers. The reality is that everything that has been achieved really comes down to the support of our community, the more community members that bank with us the quicker we can reach our next million dollar milestone.

I also celebrated a personal milestone in December with my appointment as Branch Manager of Toora and Foster branches. I would like to extend my thanks to the Board and the Staff for the level of support I have enjoyed since my appointment. My first year has been a tough one with both branches recording negative lending growth, however with increasing levels of enquiry and decreasing discharge rates, I am looking forward to seeing this turn around over the next 12 months.

Along with these milestones come new challenges and new opportunity. The Banking Royal Commission has highlighted the impact that banks can have on their customers' wellbeing. We are now, as we always have been, committed to acting with integrity and in the best interest of our customers. As a Banker I have always been passionate about this. Recently we have seen an increase in customers looking to move their banking to us, I believe in response to the commission.

Over the counter withdrawals have continued to decrease & the prevalence of electronic banking has grown further. Our staff are keeping pace with these changes to ensure our customers are presented with a full range of options for their banking. We are also upskilling the team so that we have more lenders in branch in response to the increasing demand.

The Bendigo Bank "Be The Change" campaign centred on the role our customer's play in what we can give back to our community. I take this opportunity to thank those of you who bank with us and invite those that don't into the branch for a discussion regarding your needs. Referring new customers, community or sporting groups to us, increases our ability to contribute funds back into the community.

The more we grow the more we can give.

Sharon Demaria
Branch Manager

THE BRANCH TEAM

SHARON DEMARIA – Branch 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 Port 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 Manager, 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 Manager.

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 Toora Football Netball 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 lives locally with her husband Peter and their youngest daughter. Their three older children have all moved out of the family home, and they have recently welcomed the arrival of a gorgeous granddaughter.

Terri joined the Community Bank in 2011, has been actively involved in various local community groups and is currently Treasurer of the Foster Football Club.

Terri enjoys spending time with family, socialising with friends, camping, motorbike adventures and a good book!

**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 sporting clubs, including Toora Netball Club and Toora Football Club (as Secretary). Tara is currently Toora Primary School Council President and has been heavily involved in creating Toora's new town committee- Toora Community Action Team Inc; where she is currently Secretary.

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 17, Ella 9 and Tess 7. 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.

**FAYE HARRIS – Customer Service Officer**

Faye joined the bank in March 2018. Faye has had previous experience in the banking industry, working with ANZ Yarram for 22 years as a Senior Personal Banker with experience in Home loan lending, small business lending. Prior to working with ANZ Faye has worked for State Bank and Commonwealth Bank.

Faye lives at Devon North with her Husband Anthony, they have one daughter, Chloe who is a full time Teacher. Faye is involved with the Yarram Dance Experience Committee, Devon North Recreation Reserve, and is a life time member of the Yarram Football Netball Club.

In her spare time she loves meeting up with family and friends for a chat and a good Laugh.

FAREWELLS:

This year past we said farewell to two valued team members; **IRMELA MCINTYRE**, PDFG Board Director (16 years) and **REBECCA PARKER**, Branch Manager (Toora & Foster).

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.



**Help our Community Bank®
support your
organisation or club.**

Become a **Community Bank®** Customer
in two easy steps

- 1** Open an account either online or in one of our Branches.
If online – remember to tick Toora & District Community Bank®!
- 2** Enjoy great service through the entire Bendigo Bank network, and support your local community.

 **Bendigo Bank**
Bigger than a bank.

Proudly supported by
Toora & District **Community Bank®**
Branch and Foster Branch

2018 GRANTS & SCHOLARSHIP PROGRAM

The 2018 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.

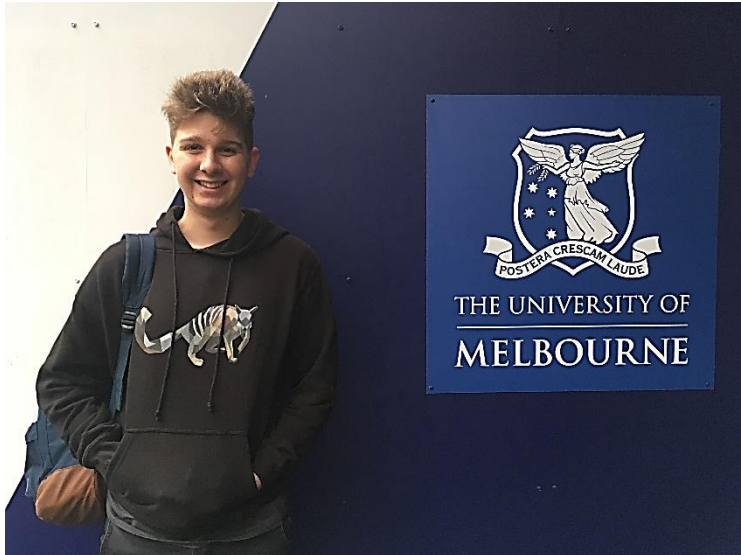
Promontory District Finance Group Ltd Grants

ORGANISATION	PROJECT	GRANT
FAMDA	Retractable seating for Foster Hall	\$5,000
Foster RSL Sub Branch	Renovation of bathroom in clubrooms	\$3,500
Friends of Agnes Falls	Purchase and storage of transport trailer	\$1,500
Manna Gum Community House	Corner Inlet Pamper Day	\$1,000
Mirridong Services	Shelter for Bus Area	\$5,000
Mt Best Community Hall	Dry area for BBQ & outside seating	\$2,500
Pearl Park Music Festival	Music Festival at Foster	\$2,500
Sth Gippsland Specialist School	Performing Arts Project	\$3,500
Toora Bowls Club	Dishwasher for Kitchen	\$2,500
Foster Golf Club	Wastewater Irrigation Project	\$5,000
Meeniyan Bowls Club	New Toilet Block	\$3,000

Toora & Foster Community Bank[®] Scholarship Program

Melaleuca Maclean	Tertiary Scholarship 1 st Year	\$5,000
Sharni Cripps	Tertiary Scholarship 2 nd Year	\$5,000

2018 Promontory District Scholarship Program



Above: Melaleuca Maclean 2018 recipient
Right: Shari Cripps 2nd year recipient



2018 Grants Recipients



Projects in the Community



Toora Swimming Pool

Contributed by Toora Pool Committee

The town of Toora and surrounding towns are very blessed to have a wonderful heated pool facility. The Toora Pool has a long history and was first built on its current site in 1970. Heat was secured for the pool from the local milk factory in 1994 and when that closed in 2000 the Pool Committee worked with the South Gippsland Shire Council to install a heating supply that is still being used today.

Over the years the Toora Pool Committee has been very active seeking grants and fundraising to improve the facilities at the pool and secure its future. In 2005 State Government Funding enabled the roof over the pool to be built along with the addition of the family/disabled bathroom.

The Toora Pool is now open 7 days a week for 7 months of the year and is a much patronised community facility.

Over the last few years the Toora Pool Committee has been fortunate to receive grant funding from our **Community Bank®** which has contributed to the purchase of a large inflatable providing hours of fun for users of the pool, a jumping castle which is used during events including the town Christmas Party and more recently a much needed shelter over the BBQ area.

This funding and support from our local **Community Bank®** has allowed the committee to enhance the customer experience when using the Toora Pool. We continue to have a great relationship with our Community Bank and look forward to the future together.

Fish Creek Tea Cosy Festival

Contributed by FCTCF Committee

The 2018 Fish Creek Tea Cosy was held over nine days from 19 – 27 May. The diverse program of events provided something for everyone regardless of age. Arts, theatre, music, food, craft and environmental workshops and of course our highlight event - the Toora & District **Community Bank®** Market Day.

Held on Saturday 26 May, this was a real treat to attend with over 40 art, craft, food and information stalls; four bands, vintage and classic cars, a magician and puppetry. From small children to grandparents – feet were tapping, hands were clapping and family fun prevailed. The town looked amazing and the staff in galleries, shops and eateries were run off their feet as the crowds flocked in from across Victoria, Australia and overseas to join the fun of this quirky festival.

The festival's success was built on the strong support of the local businesses, Fish Creek Sporting Clubs, Churches, CWA, School, Kindergarten, CFA, Scouts, South Gippsland Hospital, Toora Lions and approximately 50 volunteers. As a **Community Bank®**, we can 'bank on' Fish Creek and the Tea Cosy Festival to put the T(ea) into Community.

Projects in the Community



Welshpool Rural Transaction Centre

Contributed by Welshpool RTC

The Welshpool and District Advisory Group are responsible for the operation of the Welshpool Community Rural Transaction Centre and Welshpool Opportunity Shop. The RTC continues to offer vital services and is an asset to the general community.

Our services include: Bendigo Bank Agency, Department of Human Services Agency, monthly Newsletter, Internet Café, V/Line tickets, photocopying. We also have offices and training room facilities for daily rental which are in regular use by Gibson Accounting, South Gippsland Hospital-Diabetes Nurse and a Massage therapist. In March we introduced Bisley Workwear and have available a range of safety and workwear for sale or order.

Over the recent years we have continued our focus to expand the Bendigo Bank agency. We are committed to offer our customers quality service and have been pleased with the positive feedback. We intend to build on this in the future

We were fortunate to receive a community grant from the South Gippsland Shire and a grant from the Toora & District **Community Bank**® which enabled us to replace our overworked photocopier. Many thanks go to those who have made this possible for us.

The Welshpool Op Shop and Nursery is open 7 days a week and is run by dedicated volunteers. The Biggest morning tea raised funds for the Cancer Council and recently a donation was made to the CFA to assist with bushfire relief. The Op shop has visitors from afar and is a major asset for the Welshpool community.

Meeniyen Dumbalk United FNC

Contributed by MDU FNC

The Meeniyen Dumbalk United Football Netball Club has had success both on and off the field. Although we haven't won any football premierships recently, we were successful in taking home the premierships in 2017 in four netball grades, A, B, C and 17's, making our 2017 season very successful. We have a strong member base and our committee are dedicated to making the club successful in the future.

With the 2018 finals series about to commence, we will have all six netball teams and the thirds football teams representing us and we hope to have them all progress into the grand final.

Our club cannot run however without the generous support of our sponsors, one being the Bendigo Bank at Toora. The Toora & Foster **Community Bank**® have been one of our major sponsors for a number of years and we really appreciate their generous support of our club.

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 2018.

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)	11	11	7
Llewelyn Vale	19	11	11
Irene Spooner	19	11	9
David Roberts	19	11	8
Clive White	19	11	5
Peter Tilley	19	11	9
Irmela McIntyre (resigned May 18, 2018)	16	10	4
Michelle Neumann	6	11	7
Joseph Bucello (Dep Chair)	4	11	9
John Cheyne	2	11	6
Gillian Nicoll (appointed May 25, 2018)	0	2	2

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

DIRECTORS IN OFFICE as at 30th JUNE 2018

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	30 year's experience in public administration. 16 years mentoring community groups in Corporate governance.
Clive White	Solicitor	B.Juris LLB (Monash) Barrister & Solicitor	40 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	37 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)	52 years growing own farming business. Volunteering on numerous community committees
Michelle Neumann	Office Manager	Various courses in Accounting, Financial and Administration Services	33 years working in the business and financial services industry.
Joseph Bucello	Self Employed	Bachelor of Electro-Mechanical Engineering	7 years Engineering experience 23 years Retail experience
John Cheyne	Farmer		38 years working in the Public Sector. Long term volunteer in numerous not for profit organisations.
Gillian Nicoll	Community Engagement Consultant & Farmer	B.App.Sci (Environmental Science), Grad.Dip (Land Rehabilitation), Diploma of Education	25 years Community Engagement 15 years Farming Involvement in many community groups.

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 \$65,731 (\$55,753 in 2017)

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:

	2018		2017	
	Budget	Actual	Budget	Actual
Total Banking Book	133.3M	128.2M	123.2M	119.2M
Total Revenues	973,289	955,265	930,686	934,736
Total Expenses	942,236	880,084	886,616	910,983
Net Profit / Loss	31,053	75,181	44,070	23,754
Grant's & Sponsorship	68,000	65,731	26,000	55,753

COMMITTEES OF THE BOARD

Audit & Finance Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Peter Tilley	2	2
Llewelyn Vale	2	2
Clive White	2	1
Robert Liley	2	2
Irene Spooner	2	0
Joe Bucello	2	1

Corporate Governance Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Robert Liley	3	2
Michelle Neumann	3	1
Irmela McIntyre (Retired May 2018)	3	1
Joseph Bucello	3	1
John Cheyne	3	3
Gillian Nicoll (Commenced May 2018)	0	0

Marketing Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
David Roberts	7	3
Neville Buckland	7	5
Irene Spooner	7	5
Llewelyn Vale	7	7
Catherine Waldron	7	0
Robert Liley	7	5
John Cheyne	7	6
Alisha Adams	7	5

Grant's Advisory Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Llewelyn Vale	2	1
Irene Spooner	2	1
Peter Tilley	2	2
Robert Liley	2	2
Irmela McIntyre (Retired May 2018)	2	0
Michelle Neumann	2	1
John Cheyne	2	2
Gillian Nicoll (Commenced May 2018)	0	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 2018 the number of members was 109.

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 2018.

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 'Llewelyn Vale', written in a cursive style.

Llewelyn Vale
Foster, 28 August 2018

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2018

	Note	Total 2018 \$	Total 2017 \$
Revenue from ordinary activities	2	955,265	934,736
Employee benefits expense	3	(470,864)	(504,213)
Depreciation and amortisation expense	3	(36,779)	(41,742)
Borrowing costs expense	3	(5,747)	(6,675)
Other expenses from ordinary activities		<u>(300,963)</u>	<u>(302,599)</u>
Profit / (Loss) from ordinary activities		<u>140,912</u>	<u>79,507</u>
Grants & Sponsorship made to the Community	3	<u>(65,731)</u>	<u>(55,753)</u>
Profit / (Loss)		<u>75,181</u>	<u>23,754</u>
TOTAL CHANGES IN EQUITY		<u>75,181</u>	<u>23,754</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, 2018

	Note	Total 2018 \$	Total 2017 \$
CURRENT ASSETS			
Cash and cash equivalents	4	592,316	466,262
Trade and other receivables	5	96,281	92,217
TOTAL CURRENT ASSETS		<u>688,597</u>	<u>558,479</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	230,341	240,556
Intangible assets	7	26,094	49,346
TOTAL NON-CURRENT ASSETS		<u>256,435</u>	<u>289,902</u>
TOTAL ASSETS		<u>945,032</u>	<u>848,381</u>
CURRENT LIABILITIES			
Trade and other payables	9	61,783	51,181
Short-term provisions	10	45,345	30,722
TOTAL CURRENT LIABILITIES		<u>107,128</u>	<u>81,903</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	8	155,390	155,390
Long-term provisions	10	6,168	9,923
TOTAL NON-CURRENT LIABILITIES		<u>161,558</u>	<u>165,313</u>
TOTAL LIABILITIES		<u>268,686</u>	<u>247,216</u>
NET ASSETS		<u>676,346</u>	<u>601,165</u>
EQUITY			
Retained earnings	11	676,346	601,165
TOTAL EQUITY		<u>676,346</u>	<u>601,165</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, 2018

	Retained Earnings \$
Balance at 30 June 2016	577,411
Profit	23,754
Balance at 30 June 2017	<hr/> 601,165 <hr/>
Profit	75,181
Balance at 30 June 2018	<hr/> 676,346 <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, 2018

	Note	Total 2018 \$ Inflows/ (Outflows)	Total 2017 \$ Inflows/ (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Bendigo Bank		1,015,683	1,008,125
Receipts from Telco commission		420	207
Receipts from other income		9,304	2,159
Interest received		11,142	11,268
Payments to suppliers and employees		(912,554)	(963,029)
Net cash provided by operating activities	14(b)	<u>123,995</u>	<u>58,730</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from lending		6,426	8,174
Purchase of property, plant and equipment		(3,977)	-
Net cash provided by investing activities		<u>2,449</u>	<u>8,174</u>
Net increase in cash held		126,444	66,904
Cash at beginning of year		<u>310,482</u>	<u>243,578</u>
Cash at end of year	14(a)	<u><u>436,926</u></u>	<u><u>310,482</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 2018

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 2018

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 2018

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 2018

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 2018 the balance of the funds held by the CEF in respect of the company was \$1,484. (\$10,031 at the 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, 2018

NOTE 2. REVENUE

	Total 2018 \$	Total 2017 \$
Operating activities		
Franchise margin income	692,851	677,607
Commercial loan income	8,988	10,252
Commission income	79,230	74,092
Leasing/hire purchase income	1,273	1,946
Market development fund	97,292	97,917
Fee income	54,321	59,484
Telco commission	420	207
Interest	11,586	11,072
Other Income	9,304	2,159
Total revenue	<u><u>955,265</u></u>	<u><u>934,736</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, 2018

NOTE 3. PROFIT FROM ORDINARY ACTIVITIES

a) Expenses	Total 2018 \$	Total 2017 \$
Employee benefits expense		
Wages	428,555	451,067
Workcover	1,083	1,155
Superannuation - SG	39,162	39,985
Fringe benefits tax	1,417	7,379
Sundry Seconded Employee Expenses	647	4,627
Total employee entitlements	470,864	504,213
Borrowing cost expense		
Borrowing cost write off	100	135
Contributors interest	5,270	5,527
Overdraft interest	377	1,013
Total borrowing costs	5,747	6,675
Depreciation of non-current assets		
Buildings and improvements	5,237	5,237
Furniture and fittings	6,721	7,468
Motor vehicles	2,233	3,189
Total depreciation	14,191	15,894
Amortisation of non-current assets		
Franchise fee	21,920	25,180
Goodwill	668	668
Total amortisation	22,588	25,848
Bad debts written off	93	(6)
Audit Fees	3,850	3,750
Grants & Sponsorship	65,731	55,753
Rental expense on operating leases		
Automated Teller Machines	3,313	3,313
Foster Building	24,505	23,875
	27,818	27,188

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, 2018

NOTE 4. CASH AND CASH EQUIVALENTS

	Note	Total 2018 \$	Total 2017 \$
Cash at bank		285,272	165,846
Term Deposits		257,094	250,837
Term deposit (overdraft security)		32,821	32,821
Term deposit (rent security)		17,129	16,758
		<u>592,316</u>	<u>466,262</u>

A bank guarantee covering 6 months rent for the Foster sub-branch building is secured against the term deposit as per the lease agreement with Court Street Pty Ltd.

NOTE 5. TRADE AND OTHER RECEIVABLES

		Total 2018 \$	Total 2017 \$
CURRENT			
Accrued interest		2,021	1,577
Income share from Bendigo Bank		93,132	83,086
Toora Football Netball Club		-	1,000
Brown Wigg Loan	15	1,128	6,554
		<u>96,281</u>	<u>92,217</u>
NON-CURRENT			
Total Non-Current		<u>-</u>	<u>-</u>
TOTAL CURRENT AND NON-CURRENT RECEIVABLES		<u>96,281</u>	<u>92,217</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, 2018

NOTE 6. PROPERTY, PLANT & EQUIPMENT

	Total 2018 \$	Total 2017 \$
Land at cost	27,524	27,524
Buildings and improvements at cost	209,427	209,428
Less accumulated depreciation	(44,662)	(39,425)
	<u>164,765</u>	<u>170,003</u>
Furniture and fittings at cost	204,927	200,950
Less accumulated depreciation	(172,084)	(165,363)
	<u>32,843</u>	<u>35,587</u>
Motor vehicles at cost	33,003	33,003
Less accumulated depreciation	(27,794)	(25,561)
	<u>5,209</u>	<u>7,442</u>
Total property, plant and equipment	<u><u>230,341</u></u>	<u><u>240,556</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	170,003	35,587	7,442	240,556
Additions	-	-	3,976	-	3,976
Disposals	-	-	-	-	-
Depreciation expense	-	(5,237)	(6,721)	(2,233)	(14,191)
Carrying amount at end of year	<u><u>27,524</u></u>	<u><u>164,766</u></u>	<u><u>32,842</u></u>	<u><u>5,209</u></u>	<u><u>230,341</u></u>

NOTE 7. INTANGIBLE ASSETS

	Total 2018 \$	Total 2017 \$
Goodwill at cost (agency buyout)	13,362	13,362
Less accumulated amortisation	(8,017)	(7,349)
Borrowing Costs	-	100
Prepaid Expenses	8,539	9,104
Set up costs	70,000	70,000
Less accumulated amortisation	(70,000)	(70,000)
Franchise fee	116,774	116,774
Less accumulated amortisation	(104,564)	(82,645)
Total intangible assets	<u><u>26,094</u></u>	<u><u>49,346</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, 2018

NOTE 8. BORROWINGS

	Note	Total 2018 \$	Total 2017 \$
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	164,765	170,003
Contributions from supporters	122,569	122,569
Bank Deposits	32,821	32,821
	<u>347,679</u>	<u>352,917</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, 2018

NOTE 9. TRADE AND OTHER PAYABLES

	Total 2018 \$	Total 2017 \$
CURRENT		
GST payable	20,508	17,732
Accrued wages	4,987	4,173
Credit Card	-	390
Trade payables	29,316	24,905
PAYG withholding payable	6,972	3,981
Total trade and other payables	<u>61,783</u>	<u>51,181</u>

NOTE 10. PROVISIONS

	Total 2018 \$	Total 2017 \$
CURRENT		
Annual leave	24,651	19,774
Long service leave	20,694	10,948
Total current employee entitlements	<u>45,345</u>	<u>30,722</u>
NON-CURRENT		
Long service leave	6,168	9,923
Total non-current employee entitlements	<u>6,168</u>	<u>9,923</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, 2018

NOTE 11. RETAINED EARNINGS

	Total 2018 \$	Total 2017 \$
Retained earnings at the beginning of the financial year	601,165	577,411
Net profit	<u>75,181</u>	<u>23,754</u>
Retained earnings at the end of the financial year	<u><u>676,346</u></u>	<u><u>601,165</u></u>

NOTE 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent assets or liabilities at 30th June 2018.

NOTE 13. COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

There were no capital commitments at 30th June 2018.

(b) Lease Commitments

Commitments in relation to operating leases contracted for at the reporting date:

	Within 1 year		2 to 5 years	
	2018	2017	2018	2017
Automated Teller Machines	3,644	3,644	2,126	5,770
Foster Building	27,914	26,955	98,549	118,537
Total Lease Commitments (including GST)	<u><u>31,558</u></u>	<u><u>30,599</u></u>	<u><u>100,674</u></u>	<u><u>124,306</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, 2018

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 2018 \$	Total 2017 \$
Cash at bank	285,272	165,846
Term deposit	307,044	300,416
Bank overdrafts	(155,390)	(155,390)
Credit Cards	-	(390)
	<u>436,926</u>	<u>310,482</u>

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

	Total 2018 \$	Total 2017 \$
Profit after income tax	75,181	23,754
Non-cash flows in profit		
Borrowing cost write off	100	135
Depreciation and amortisation	36,779	41,742
Changes in assets and liabilities		
(Increase)/decrease in receivables	(10,490)	(3,030)
(Increase)/decrease in prepayments	564	1,976
Increase/(decrease) in employee entitlements	10,992	(3,739)
Increase/(decrease) in payables	10,869	(2,108)
Cash flows from operations	<u>123,995</u>	<u>58,730</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, 2018

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	
	2018	2017	2018	2017	Within 1 year		1 to 5 years		2018	2017
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash & Cash Equivalents	2.40	2.85	285,272	166,506	274,223	267,596	-	-	32,821	32,821
Receivables	6.00	6.00	-	-	1,128	6,554	-	-	93,131	83,086
Total Financial Assets			285,272	166,506	275,351	274,150	-	-	125,952	115,907
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 2018 \$	Total 2017 \$
The Bendigo Superannuation Plan	28,733	30,264
Other Funds	13,889	34,242
	42,622	64,506

- (iii) There are no contributions outstanding at June 30th 2018.

- (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, 2018

**NOTE 17. NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS
ISSUED BUT NOT YET EFFECTIVE**

There are no new accounting standards or interpretations that have been adopted for the first time in these Financial Statements. The following new accounting standards and interpretations are not yet effective, but may have an impact on the Company in financial years commencing on or after July 2018

(a) AASB 15 Revenue from contracts with customers

This standard modifies the determination of when to recognise revenue and how much revenue to recognise. The core principle is that an entity recognises revenue to depict the transfer of promised goods and services to the customer of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Our revenue in the main, is from bank customers, and is normally, shared equally between ourselves and Bendigo Adelaide Bank. We are currently investigating if any of our revenue will be impacted by the introduction of this new standard.

The company expects to apply the full retrospective transition approach. Application of this approach results in the restatement of comparative information where applicable.

(b) AASB 1058 Income of Not-for-profit entities

This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities, and work in conjunction with AASB 15. Under the new standard the timing of income recognition depends on whether such a transaction gives rise to a liability as other performance obligation or a contribution by an owner. It also requires the entity to recognise volunteers services as where the entity receives an asset for less than its fair value.

The company has commenced work to identify what if any transactions will be impacted. We will specifically look at our obligations in relation to the market development fund and voluntary director services.

The company expects to apply the full retrospective transition approach. Application of this approach results in the restatement of comparative information where applicable.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2018

(c) AASB 16 Leases

This standard requires lessee to account for leases under an on-balance sheet model, with the distinction between operating and finance leases being removed.

The standard provides certain exemptions from recognising leases on the balance sheet, including where the underlying asset is of low value or the lease term is 12 months or less.

Under the new standard, the Company will be required to:

- recognise right of use lease assets and lease liabilities on the balance sheet. Liabilities are measured based on the present value of future lease payments over the lease of the term. The right of use lease asset generally reflects the lease liability;
- recognise depreciation of right of use lease assets and interest on lease liabilities over the lease term.
- separately present the principle amount of cash paid and interest in the cash flow statement as a financing activity.

The company commenced work to understand the impact of the new standard. This has included preliminary work on quantifying the financial impact of the new standard on our leases which include the building lease in Foster, the automated teller machine and information technology equipment.

(d) AASB 9 Financial Instruments

This standard modifies the classification and measurement of financial assets. The key changes introduced on January 1st, 2018 includes simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred. The company does not expect the impact of these changes to be significant.

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, 2018

NOTE 18. RELATED PARTY DISCLOSURES

	Total 2018	Total 2017
	\$	\$

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 (Resigned May 18, 2018)
Mr. Robert Liley
Mrs. Michelle Neumann
Mr. Joseph Bucello
Mr. John Cheyne
Mrs. Gillian Nicoll (appointed May 25, 2018)

Executive Officer Remuneration

The number of Executive Officers whose total remuneration exceeded \$100,000 amounted to: Nil Nil

Transactions with Responsible Persons and their Related Parties

Mr P. Tilley is an accountant of Duesburys Gippsland and a member of the Board. His firm receives remuneration for accountancy services provided to the Community Bank and not for his role on the Board.

The total amount invoiced by Duesburys Gippsland for the year ended 30th June, 2018 was \$20,504.

Dated the 28th day of August, 2018

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

NOTE 19. COMPANY DETAILS

The registered office of the company is:
Promontory District Finance Group Limited
48 Stanley Street
Toora Vic 3962

The principal place of business is:
Promontory District Finance Group Limited
48 Stanley Street
Toora Vic 3962

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

DIRECTORS DECLARATION


The directors of the company declare that:

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

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

- (a) comply with Accounting Standards and the Corporations Regulations 2001; and
- (b) give a true and fair view of the financial position as at 30th June 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.



Director



Director

Dated the 28th day of August, 2018

Foster, Victoria.

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 2018, 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 2018 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 2018 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

Lynda J. McKenzie
3A Billson Street
WONTHAGGI VIC 3995

31 August 2018

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 2018 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

24 August 2018

Toora & District **Community Bank**[®] Branch
48 Stanley Street, Toora VIC 3962
Phone: 5686 2000 Fax: 5686 2010
Email: admin@pdfg.org.au

Foster branch
68 Main Street, Foster VIC 3960
Phone: 5682 2287 Fax: 5682 2674
Email: admin@pdfg.org.au

Franchisee: Promontory District Finance Group Limited
48 Stanley Street, Toora VIC 3962
Phone: 5686 2000 Fax: 5686 2010
ABN: 69 085 537 328
Email: admin@pdfg.org.au

www.bendigobank.com.au/toora

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