

Annual Report 2019

Promontory District Finance Group Limited

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

ABN 69 085 537 328



& District Community Bank@Branch
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

2018 - 2019

I submit the 20th Chairman's report for the Promontory District Finance Group Limited.

This year we have witnessed the achievement of 20 years of banking for the company. During that time, through the hard work of the Board and banking team, we have reinvested back into the community, via grants, sponsorships and scholarships the sum of \$1,227,238.00.

The Bendigo Bank community was shocked by the sudden death, in March, of our esteemed friend and colleague, Llew Vale, OAM. Llew was a founding member of the board and at the time of his death he was the Board Chair. He had held a variety of positions on the board as well as working as a mentor and advisor to the nationwide Bendigo **Community Bank**[®] network. His enthusiasm for getting banking returned to Toora 20 years ago was infectious as was his work in getting Community banking into other country communities. His work and knowledge of community banking and his wise counsel will be sorely missed.

The Banking team have worked extremely hard this year in a climate of banking uncertainty caused by low interest rates and the outcomes of the Banking Royal Commission. The board thanks the manager and her team for those extra efforts they make for a better outcome for our customers.

Financially the year has been strong with a profit of \$84,470.00. We have continued to reinvest our profits back into the community, distributing \$75,920.00

Our board member Michelle Newman retired from the board this year after 7 years of board and committee responsibilities. Catherine Waldron also resigned from the Marketing Committee after 5 years' service. Our staff member Michelle Walker resigned after 12 years as a Senior Customer Service Officer. Our board thanks them for their long service to the bank. The Board would like to thank Sharon Demaria for leading our banking team so effectively.

We welcomed Andrew Oldroyd, from Fish Creek, to the board during the year.

My thanks go to the Bendigo Bank's regional team for their support and reporting during the year. I would like to thank our executive officer, Jillian Throckmorton, for her diligence, hard work and support of board activities.

In a year of change, my personal thanks go to the board Deputy Chair, Clive White, and all the board members for their continual support and work for community banking. The board is extremely cognisant of the changes that are happening in the banking sector. The challenges we face are to adapt to change while still providing the services that are needed by all our customers.

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.

CLIVE WHITE – Deputy Chair

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.



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.



DAVID ROBERTS – Board Member

David has resided in the Toora and Foster area for over seventy eight 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 13 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.



ANDREW OLDROYD – Board Member

Andrew first moved to Fish Creek from Melbourne in 2004 after accepting a new role with Country Fire Authority supporting our local volunteer brigades. He lives with partner Catherine and their 5 year old son Clancy.

He continues to work for CFA across the wider region and is responsible for managing community information and engagement during major emergencies and several planning and project management portfolios.

Andrew is a proud contributor to our local community and is involved in several community organisations. He is a passionate advocate of our **Community Bank**[®] and the critical role it plays in supporting our community.

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**[®] branch.

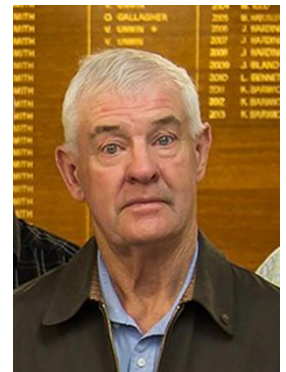
Jill is an active member of the community, being a member of the Welshpool and District Primary School Council and president of their Parents Club, treasurer of the Prom Coast Soccer Club, and a member of the Corner Inlet Swimming Club (Dolphins) committee.

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.



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 Mangers Report

For year ending 30 June 2019

In the last year we have seen many changes, the loss of Chairman Llew Vale being the highest impact. This was felt by the entire **Community Bank**® family Australia wide. Llew had a long history of working with Bendigo Bank to secure favourable outcomes for our local community. The staff and board are firmly committed to continuing his legacy.

We said goodbye to Senior Customer Service Officer Michelle Walker. After over 10 years of customer service, she decided to try something new. Michelle was a shining example of exceptional customer service, always putting her customers' needs first. We are committed to keeping up this tradition & thank Michelle for all she has contributed over the years.

We saw changes in branch opening hours to reflect the way our customers bank with us. These changes facilitated me to become more mobile so I can now go to the customer rather than the customer needing to come to us. These changes were made after careful consideration, allowing us to continue to offer traditional style branch service in Toora and Foster in the longer term in the face of a digital revolution in banking.

The changes also saw us grow our branches book significantly by \$14.9 million. We also added 35 new to bank customers to our customer base. This allowed us to deliver \$75,920 to the community in grants and sponsorships, a \$10,189 increase on the previous year.

The next year will be a challenging one due to low interest rates and increasing online alternatives to the traditional banks. We are well placed to face these challenges, but our contributors can help. The most effective way for us to keep growing is via personal recommendations from trusted community members such as yourself. When you have the opportunity please suggest people give us a go.

The more customers we have, the more business we do and the more profit we generate. That is how we fund all the wonderful sponsorships, grants and scholarships outlined in this report.

Thank you to the board who have done an excellent job in difficult circumstances. Thanks to the team who have embraced change. Congratulations to Karen Dorling & Kate Whittingham on their promotions.

The growth we have experienced is due to the commitment of the team. None of this would be possible without the ongoing support of our contributors.

Sharon Demaria
Branch Manager

THE BRANCH TEAM

SHARON DEMARIA – Branch Manager

Sharon joined our team in 2017 after a short break from banking, during which time she worked for a local real estate company. She has over 12 years local Banking experience and has lived in the local area for over 20 years.

Sharon is passionate about retaining services in our local community 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. In her spare time she enjoys hiking and loves travelling with her family.



KAREN DORLING – Customer Relationship Manager

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.

KATE WHITTINGHAM – Customer Relationship 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.



TERRI BOHN – Customer Service Officer

Terri lives locally with her husband Peter. Their three older children have all moved out of the family home, whilst their youngest daughter is studying Bachelor of Education at Deakin University, Burwood Campus.

Terri and Peter have recently welcomed the arrival of a second grandchild, and now are nanny & poppy to a gorgeous granddaughter and grandson.

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 Football Netball Club as secretary, umpire and coach. 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 daughters Schylar, Ella and Tess. Tara enjoys being with her family, camping, a good book, great food and wine.



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.

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 four valued team members; **MICHELLE NEUMANN**, PDFG Board Director (7 years), **CATHERINE WALDRON**, Marketing Committee Member (5 years), **MICHELLE WALKER**, Customer Service Senior Officer (12 years).

The Board would like to thank them all 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.

This year we also said goodbye to **LLEWELYN VALE** OAM, PDFG Board Director (20 years) 1946-2019.

Llew was the inaugural Company Secretary who was committed to the model of community banking, he had served as PDFG Chairman for nine years over two separate periods.

Llew had roles as a senior mentor within the Bendigo and Adelaide Bank and was a past member of the **Community Bank**[®] Strategic Advisory Board.

He brought such a wealth of knowledge to our small part of the world, and our Board often looked to him for direction. Now we reflect; “would Llew like this?”, “is this the way Llew would do it?” it has become part of our internal lexicon.

Llew’s determination and energy to deliver quality community banking for our region will not be forgotten. A true gentleman and held in the highest regard by all who worked alongside him.

The PDFG Board are dedicated to carrying on his efforts, honouring his legacy with a dedicated award at his beloved FAMDA One Act Play Festival and also with an annual Tertiary Scholarship.



2019 GRANTS & SCHOLARSHIP PROGRAM

The 2019 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 Welshpool Community Hall. The evening was well attended by representatives of the community organisations receiving grants and sponsorships from Staff and Directors of the Promontory District Finance Group.

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
Toora Football Netball Club	Dishwasher	\$5,000
1 st Fish Creek Scout Group	Hiking Equipment	\$3,000
Bennison Adult Riding Club	First Aid Kits	\$300
Fish Creek & District Primary School	Kitchen Install	\$5,000
Fish Creek Community Garden	Equipment & Signage	\$1,300
Toora Community Action Team	Christmas Tree (metal)	\$1,500
Fish Creek Bowls Club	BBQ Area Project	\$5,000
Foster Bowls Club	Dishwasher	\$5,000

Promontory District Finance Group Ltd Conditional Sponsorships

ORGANISATION	PROJECT	SPONSORSHIP
Foster Agricultural & Pastoral Society	Wood Chopping Event (Foster Show)	\$3,500
Welshpool Golf Club	Water Tanks	\$4,600

Toora & Foster Community Bank[®] Scholarship Program

Yasmin Bohn	Tertiary Scholarship 1 st Year	\$5,000
Melaleuca Maclean	Tertiary Scholarship 2 nd Year	\$5,000
Belle Cocksedge	PDFG Bursary	\$500
Mark Beattie	PDFG Bursary	\$500

2019 Promontory District Scholarship Program



Above: Melaleuca Maclean 2nd year recipient

Right: Yasmin Bohn 2019 recipient



2019 Grants Night



Projects in the Community



Prom Coast Festival

Contributed by Festival Committee

The Prom Coast Festival of 2019 celebrated its 7th biennial event, an event which began in 2007. Again it brought together community groups showcasing the regions artists, creators, performers and produce growers. It ran over four days and nights from Thursday, March 14th to Sunday, March 17th.

This year the Festival involved the Town Halls of Welshpool, Toora, Mt Best, Foster, Sandy Point and Fish Creek. The events at these venues included rock & roll, chasing history, guitar music, melodic singers, a picnic and fun for the children. The program was packed with music, food, books, games and lots of fun, as well as the inaugural bake-off.

Every second year the Committee members of the Festival call on sponsors to help finance what has become an event that is synonymous with Promontory country. Every second year the Directors of the Toora and District **Community Bank**[®] Branch and Foster Branch of the Bendigo Bank put up their hands and ask 'what do you need from us this year'.

The constant support of our local **Community Bank**[®] branches has enabled the Prom Coast Festival Committee to dream big each year and to pull together programs to entertain and delight Festival visitors. The Committee is grateful for the supportive relationship that has grown with our **Community Bank**[®] and plan to continue fostering this for the future.

Toora Football Netball Club

Contributed by TFNC Committee

Toora Football Netball Club has a long and proud history for more than 125 years. Our Club has a strong supporter base and pride ourselves on being welcoming and family friendly. We also have a strong committee who are dedicated to ensuring long term sustainability of football and netball.

As the sporting environment becomes increasingly expensive we rely on support from local businesses to remain viable. Toora FNC are proud to partner with Toora and District **Community Bank**[®] Branch and Foster Branch of the Bendigo Bank in the referral program and will be forever grateful for the ongoing sponsorship and grants that the bank provides.

Past grants have funded our new netball court, scoreboard, kitchen upgrades and the sponsorship ensures our day to day costs are achievable so we can focus on providing a safe and enjoyable sporting environment.



Projects in the Community



FAMDA - One Act Play Festival Contributed by FAMDA Committee

Foster Arts Music & Drama Association, commonly known as FAMDA, hosted its first One Act Play Festival in 2001. There were just five plays, all of them Gippsland based.

The Toora and District **Community Bank**[®] Branch and Foster Branch of Bendigo Bank first sponsored the festival in 2008, with seven companies participating including Melbourne groups and entries from Macedon and Emerald.

Since then the festival's reputation and the number of plays has grown tremendously. The enticing prize money, made possible by sponsorship from our local **Community Bank**[®] has enabled FAMDA to create a full weekend of theatrical variety for locals to enjoy while also attracting visitors to our beautiful region in August each year.

The South Gippsland One Act Play Festival now includes a Young Players Festival which provides a great opportunity for youngsters to perform. Held on Saturday morning, the Young Players Festival has become the most popular session of the festival with the Foster Arts Centre bursting at the seams as enthusiastic audience members steam in to see young local performers and visitors from further afield on stage.

From this year the major prize in the Young Players Festival will be known as the Llew Vale Award in recognition of his enthusiastic endorsement of the festival via our local **Community Bank**[®].

Now in its nineteenth year, the Bendigo Bank South Gippsland One Act Play Festival has become a significant annual event not only for FAMDA and the Corner Inlet community, but also for amateur theatre groups across Victoria.

Thanks to Bendigo Bank sponsorship, Foster now has a truly iconic event on the Victorian amateur theatre calendar each August with many winners in our local community.

Motorvation Youth Drivers Education Contributed by Motorvation

Motorvation has been visiting Foster Secondary College to deliver a young driver safety course for many years thanks to the Toora and District **Community Bank**[®] Branch and Foster Branch of the Bendigo Bank.

Motorvation is an innovative one day program that includes tuition in topics not usually taught, such as modern vehicle safety features, defensive driving and how to deal with emergency situations.

One of the unique features of the day is a questionnaire on attitude which provides students with a score highlighting how 'driver personality' can affect safety. Practical sessions include students taking part in eye-opening driving exercises including stopping distances, reaction time and judgement.

All learners complete the mandatory 120 hours of on road practice, however until they participate in Motorvation they often don't realise how much more there is to learn, which can lead to a false sense of security and even over-confidence.

Find us on Facebook

****Toora Community Bank® Branch and Foster Branch****

When you chose to bank with the Toora & District **Community Bank®** Branch and Foster Branch of the Bendigo Bank, you are investing in local clubs, organisations and projects, and we think that's a pretty great thing to hang your hat on!

You bank with us.

Your community shares the bank's income.

Great things happen.

Local people decide what to support.

Supporting our Local Schools

Having Local **Community Bank®** branches ran by Local people means we can help our Local children in a direct manner.

To date our **Community Bank®** branches have given our Local Schools over **\$94,820.26** in support.

So next time you have a finance decision to make, why not come into our Branch and see one of our expert Team?

After all, Bendigo Bank is **Bigger than a Bank!**



Making better things happen in the Promontory District.



Bendigo Bank
The better big bank.

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 2019.

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)	12	11	8
Llewelyn Vale (Chair) (deceased 31/3/19)	20	8	7
Irene Spooner	20	11	11
David Roberts	20	11	9
Clive White (Deputy Chair)	20	11	4
Peter Tilley	20	11	7
Joseph Bucello (Secretary)	5	11	9
Michelle Neumann (resigned 27/2/19)	7	7	4
John Cheyne	3	11	8
Gillian Nicoll	1	11	7
Andrew Oldroyd (appointed 26/3/19)	-	4	4

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 2019

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	31 year's experience in public administration. 17 years mentoring community groups in Corporate governance.
Clive White	Solicitor	B.Juris LLB (Monash) Barrister & Solicitor	41 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	38 years in Public Practice
Robert Liley	Farmer	Dip. Farm Management (Marcus Oldham)	53 years growing own farming business. Volunteering on numerous community committees
Michelle Neumann	Office Manager	Various courses in Accounting, Financial and Administration Services	34 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	26 years Community Engagement 16 years Farming Involvement in many community groups.
Andrew Oldroyd	Regional Project Coordinator	Various qualification in emergency management and financial services	5 years in the arts 16 years in Emergency Management sector Involvement in many arts and 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 \$75,920 (\$65,731 in 2018)

Performance Measures

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

- to review it's 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:

	2019		2018	
	Budget	Actual	Budget	Actual
Total Banking Book	133.1M	141.6M	133.3M	128.2M
Total Revenues	985,598	972,202	937,289	955,265
Total Expenses	907,958	895,628	942,236	880,084
Net Profit / Loss	77,640	76,574	31,053	75,181
Grant's & Sponsorship	64,000	75,920	68,000	65,731

COMMITTEES OF THE BOARD

Audit & Finance Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Peter Tilley	1	1
Llewelyn Vale (deceased 31/3/19)	1	1
Clive White	1	1
Robert Liley	1	1
Irene Spooner	1	0
Joe Bucello	1	0

Corporate Governance Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Robert Liley	2	2
Michelle Neumann (resigned 27/2/19)	1	1
Joseph Bucello	2	2
John Cheyne	2	2
Gillian Nicoll	1	1

Marketing Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
David Roberts	6	3
Neville Buckland	6	3
Irene Spooner	6	5
Llewelyn Vale (deceased 31/3/19)	4	2
Catherine Waldron (resigned June 2019)	6	0
Robert Liley	6	1
John Cheyne	6	6
Alisha Adams	6	6
Gillian Nicoll	6	4

Grant's Advisory Committee

DIRECTORS	MEETINGS Number Eligible To Attend	MEETINGS Number Attended
Llewelyn Vale (deceased 31/3/19)	1	1
Irene Spooner	2	2
Peter Tilley	2	1
Robert Liley	2	2
Michelle Neumann (resigned 27/2/19)	1	0
John Cheyne	2	1
Gillian Nicoll	2	1
Andrew Oldroyd (commenced 26/3/19)	2	2

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 2019 the number of members was 108.

Auditor's Independence

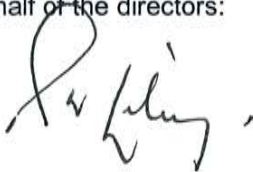
The auditors' declaration of independence appears on page 42 and forms part of the Directors' report for the year ended 30th June 2019.

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', with a comma at the end. The signature is written in a cursive style.

Robert Liley
Foster, 27 August 2019

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

FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2019

	Note	Total 2019 \$	Total 2018 \$
<i>Revenue from ordinary activities</i>	2	972,202	955,265
Employee benefits expense	3	(471,787)	(470,864)
Depreciation and amortisation expense	3	(43,266)	(36,779)
Borrowing costs expense	3	(4,881)	(5,747)
Other expenses from ordinary activities		<u>(299,774)</u>	<u>(300,963)</u>
Profit / (Loss) from ordinary activities		<u>152,494</u>	<u>140,912</u>
Grants & Sponsorship made to the Community	3	<u>(75,920)</u>	<u>(65,731)</u>
Profit / (Loss)		<u>76,574</u>	<u>75,181</u>
TOTAL CHANGES IN EQUITY		<u>76,574</u>	<u>75,181</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, 2019

	Note	Total 2019 \$	Total 2018 \$
CURRENT ASSETS			
Cash and cash equivalents	4	577,746	590,316
Trade and other receivables	5	84,106	96,281
Other Assets		10,582	8,539
TOTAL CURRENT ASSETS		672,434	695,136
NON-CURRENT ASSETS			
Property, plant and equipment	6	218,903	230,341
Intangible assets	7	118,691	17,555
TOTAL NON-CURRENT ASSETS		337,594	247,896
TOTAL ASSETS		1,001,028	943,032
CURRENT LIABILITIES			
Trade and other payables	9	50,333	61,783
Short-term provisions	10	45,037	43,345
TOTAL CURRENT LIABILITIES		95,370	105,128
NON-CURRENT LIABILITIES			
Long-term borrowings	8	155,390	155,390
Long-term provisions	10	6,348	6,168
TOTAL NON-CURRENT LIABILITIES		161,738	161,558
TOTAL LIABILITIES		257,108	266,686
NET ASSETS		752,920	676,346
EQUITY			
Retained earnings	11	752,920	676,346
TOTAL EQUITY		752,920	676,346
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, 2019

	Retained Earnings \$
Balance at 30 June 2017	601,165
Profit	75,181
Balance at 30 June 2018	<u>676,346</u>
Profit	76,574
Balance at 30 June 2019	<u><u>752,920</u></u>

This Statement should be read in conjunction with the accompanying notes

PROMONTORY DISTRICT FINANCE GROUP LTD
ABN 69 085 537 328

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2019

	Note	Total 2019 \$ Inflows/ (Outflows)	Total 2018 \$ Inflows/ (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Bendigo Bank		1,057,304	1,015,683
Receipts from Telco commission		-	420
Receipts from other income		7,377	9,304
Interest received		11,485	11,142
Payments to suppliers and employees		<u>(958,904)</u>	<u>(912,554)</u>
Net cash provided by operating activities	14(b)	<u>117,262</u>	<u>123,995</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from lending		1,128	6,426
Purchase of property, plant and equipment and franchise renewals		<u>(132,964)</u>	<u>(3,977)</u>
Net cash provided by (used in) investing activities		<u>(131,836)</u>	<u>2,449</u>
Net increase/(decrease) in cash held		(14,574)	126,444
Cash at beginning of year		<u>436,926</u>	<u>310,482</u>
Cash at end of year	14(a)	<u><u>422,352</u></u>	<u><u>436,926</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 2019

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 2019

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 2019

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 2019

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 2019 the balance of the funds held by the CEF in respect of the company was \$5,092. (\$1,484 at the 30th June 2018).

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, 2019

NOTE 2. REVENUE

	Total 2019 \$	Total 2018 \$
Operating activities		
Franchise margin income	717,447	692,851
Commercial loan income	4,706	8,988
Commission income	79,980	79,230
Leasing/hire purchase income	1,336	1,273
Market development fund	100,000	97,292
Fee income	50,460	54,321
Telco commission	-	420
Interest	10,896	11,586
Other Income	7,377	9,304
Total revenue	<u>972,202</u>	<u>955,265</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, 2019

NOTE 3. PROFIT FROM ORDINARY ACTIVITIES

a) Expenses	Total 2019 \$	Total 2018 \$
Employee benefits expense		
Wages	430,324	428,555
Workcover	1,207	1,083
Superannuation - SG	39,945	39,162
Fringe benefits tax	285	1,417
Sundry Seconded Employee Expenses	26	647
Total employee entitlements	471,787	470,864
Borrowing cost expense		
Borrowing cost write off	-	100
Contributors interest	4,881	5,270
Overdraft interest	-	377
Total borrowing costs	4,881	5,747
Depreciation of non-current assets		
Buildings and improvements	5,235	5,237
Furniture and fittings	5,766	6,721
Motor vehicles	1,563	2,233
Total depreciation	12,564	14,191
Amortisation of non-current assets		
Franchise fee	25,357	21,920
Goodwill	5,345	668
Total amortisation	30,702	22,588
Bad debts written off	(10)	93
	3,900	3,850
Grants & Sponsorship	75,920	65,731
Rental expense on operating leases		
Automated Teller Machines	3,313	3,313
Foster Building	25,044	24,505
	28,357	27,818

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, 2019

NOTE 4. CASH AND CASH EQUIVALENTS

	Note	Total 2019 \$	Total 2018 \$
Cash at bank		262,316	285,272
Term Deposits		263,119	257,094
Term deposit (overdraft security)		34,821	32,821
Term deposit (rent security)		17,490	17,129
		<u>577,746</u>	<u>592,316</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 2019 \$	Total 2018 \$
CURRENT			
Accrued interest		1,432	2,021
Income share from Bendigo Bank		82,674	93,132
Brown Wigg Loan	15	-	1,128
		<u>84,106</u>	<u>96,281</u>
NON-CURRENT			
		<u>-</u>	<u>-</u>
TOTAL CURRENT AND NON-CURRENT RECEIVABLES		<u>84,106</u>	<u>96,281</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, 2019

NOTE 6. PROPERTY, PLANT & EQUIPMENT

	Total 2019	Total 2018
	\$	\$
Land at cost	27,524	27,524
Buildings and improvements at cost	209,427	209,427
Less accumulated depreciation	(49,897)	(44,662)
	159,530	164,765
Furniture and fittings at cost	206,053	204,927
Less accumulated depreciation	(177,850)	(172,084)
	28,203	32,843
Motor vehicles at cost	33,003	33,003
Less accumulated depreciation	(29,357)	(27,794)
	3,646	5,209
Total property, plant and equipment	218,903	230,341

(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	164,765	32,843	5,209	230,341
Additions	-	-	1,126	-	1,126
Disposals	-	-	-	-	-
Depreciation expense	-	(5,235)	(5,766)	(1,563)	(12,564)
Carrying amount at end of year	27,524	159,530	28,203	3,646	218,903

NOTE 7. INTANGIBLE ASSETS

	Total 2019	Total 2018
	\$	\$
Goodwill at cost (agency buyout)	13,362	13,362
Less accumulated amortisation	(13,362)	(8,017)
Prepaid Expenses	10,583	8,539
Set up costs	70,000	70,000
Less accumulated amortisation	(70,000)	(70,000)
Franchise fee	248,612	116,774
Less accumulated amortisation	(129,922)	(104,564)
Total intangible assets	129,273	26,094

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, 2019

NOTE 8. BORROWINGS

	Note	Total 2019 \$	Total 2018 \$
NON-CURRENT			
Bank overdraft secured	15	<u>155,390</u>	<u>155,390</u>
Total non-current		<u><u>155,390</u></u>	<u><u>155,390</u></u>
a) Total current and non-current secured liabilities:			
Bank overdraft	15	<u>155,390</u>	<u>155,390</u>
		<u><u>155,390</u></u>	<u><u>155,390</u></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		159,530	164,765
Contributions from supporters		120,569	122,569
Bank Deposits		<u>34,821</u>	<u>32,821</u>
		<u><u>342,444</u></u>	<u><u>347,679</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, 2019

NOTE 9. TRADE AND OTHER PAYABLES

	Total 2019	Total 2018
	\$	\$
CURRENT		
GST payable	19,674	20,508
Accrued wages	4,582	4,987
Credit Card	4	-
Trade payables	20,421	29,316
PAYG withholding payable	5,652	6,972
Total trade and other payables	<u>50,333</u>	<u>61,783</u>

NOTE 10. PROVISIONS

	Total 2019	Total 2018
	\$	\$
CURRENT		
Annual leave	29,573	24,651
Long service leave	15,464	20,694
Total current employee entitlements	<u>45,037</u>	<u>45,345</u>
NON-CURRENT		
Long service leave	6,348	6,168
Total non-current employee entitlements	<u>6,348</u>	<u>6,168</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

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, 2019

NOTE 11. RETAINED EARNINGS

	Total 2019 \$	Total 2018 \$
Retained earnings at the beginning of the financial year	676,346	601,165
Net profit	<u>76,574</u>	<u>75,181</u>
Retained earnings at the end of the financial year	<u>752,920</u>	<u>676,346</u>

NOTE 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent assets or liabilities at 30th June 2019.

NOTE 13. COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

There were no capital commitments at 30th June 2019.

(b) Lease Commitments

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

	Within 1 year		2 to 5 years	
	2019	2018	2019	2018
Automated Teller Machines	2,126	3,644	-	-
Foster Building	26,128	27,914	37,458	63,586
Total Lease Commitments (including GST)	<u>28,254</u>	<u>31,558</u>	<u>37,458</u>	<u>63,586</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, 2019

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 2019 \$	Total 2018 \$
Cash at bank	262,316	285,272
Term deposit	315,430	307,044
Bank overdrafts	(155,390)	(155,390)
Credit Cards	(4)	-
	<u>422,352</u>	<u>436,926</u>

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

	Total 2019 \$	Total 2018 \$
Profit after income tax	76,574	75,181
Non-cash flows in profit		
Borrowing cost write off	-	100
Depreciation and amortisation	43,268	36,779
Changes in assets and liabilities		
(Increase)/decrease in receivables	11,047	(10,490)
(Increase)/decrease in prepayments	(2,044)	564
Increase/(decrease) in employee entitlements	(129)	10,992
	(11,454)	10,869
Cash flows from operations	<u>117,262</u>	<u>123,995</u>

PROMONTORY DISTRICT FINANCE GROUP LTD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2019

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	
	2019	2018	2019	2018	Within 1 year		1 to 5 years		2019	2018
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash & Cash Equivalents	2.00	2.40	304,193	285,272	280,609	274,223	-	-	32,821	32,821
Receivables	6.00	6.00	-	-	-	1,128	-	-	82,674	93,131
Total Financial Assets			304,193	285,272	280,609	275,351	-	-	115,495	125,952
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, 2019 (\$155,390 - 2018). 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 2019 \$	Total 2018 \$
The Bendigo Superannuation Plan	30,507	28,733
Other Funds	16,520	13,889
	<u>47,026</u>	<u>42,622</u>

- (iii) There are no contributions outstanding at June 30th 2019.
- (iv) Contributions are paid in accordance with the Superannuation Guarantee Scheme.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2019

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 2019

(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, 2019

(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. All current leases are disclosed in Note 13 and will be applied from July 1st, 2019.

(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. There has been no significant impact in relation to these changes.

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:

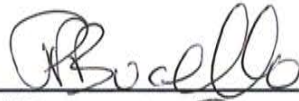
- (a) comply with Accounting Standards and the Corporations Regulations 2001; and
- (b) give a true and fair view of the financial position as at 30th June 2019 and of the performance for the year ended on that date of the company.

This declaration is made in accordance with a resolution of the Board of Directors.



Robert Liley

Director
Chairman



Joseph Bucello

Director
Secretary

Dated the 27th day of August, 2019

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 2019 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

26 August 2019

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 2019, 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 2019 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 misstatement 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 2019 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



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

30 August 2019

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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