



THE BENDIGO TRUST

*Annual
Report*

2010/11

38th Edition





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FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



Llyod Cameron, Chairman
The Bendigo Trust

The Bendigo Trust is an organisation that is proud of and dependent upon all the people – staff and volunteers alike – who fulfil our mission to Bring Bendigo's History to Life. It all really comes down to this great group of people and so let us open the 2010/11 Annual Report of The Bendigo Trust by saying "Thank You!"



Tom Seddon, CEO
The Bendigo Trust

A year for building and developing

2010/11 was a year for building and developing. Of course "building and developing" ought to be a part of every year, but in 2010/11 big projects dominated and the benefits weren't usually immediate.

For instance, in June 2011 we celebrated the opening of Nine Levels of Darkness, our new tour to levels 6–9 of Central Deborah Gold Mine. Pitched as it is at a group of travellers that we don't often see at Central Deborah, and sold through overseas travel agencies that have never dealt with us before, the underground works and product development and training needed to get us to the launch in June were really only the first steps. Now we must use the new tour to build stakeholders and audiences that we have not had before, and that will not happen overnight.

Other major projects during the year included the ten week-long overhaul of the main passenger lift at Central Deborah and the installation of Discovery's new Planetarium dome. However, the one project that dominated the entire year, and which continues into 2011/12, is the works at the Tramways Avenue Depot.

The transformation of our main depot and workshop will affect every aspect of Bendigo Tramways: improved and expanded workshop space, a vehicle garage, water collection and storage, a new retail and visitor reception area, offices and workspace for staff and volunteers, a new library and improved workspace for collections staff and volunteers, accommodation for visiting volunteers, staff and visitor amenities, and a generally restored and improved precinct: landscaping, paved

surfaces, new roofing, parking. Even a new power supply for the tramline. And more. The project has also extended to improving the Weeroona Avenue depot to enable it to be much more functional. After four long years of development and fundraising, and over a year now of construction, this project will wrap up late in 2011.

Another project that has occupied us, far less visibly, for over three years now is our campaign to be chosen to restore the W class trams still in service in Melbourne. We have weathered changes of tram franchisee and of State Government and worked with the Department of Transport, Yarra Trams, the Rail Tram & Bus Union and the National Trust to achieve broad agreement on the need for heritage trams to continue to serve Melbourne, and on the program of restoration that they should be put through. The first tram arrived in January 2011, but as a test case for all concerned progress is slow. We hope during 2011/12 that what should be a major long-term boost for Bendigo Tramways Workshop will be in full swing!

Trading and Financial Position

For 2010/11 the Trust reports a loss of \$1.2 million. Last year we reported a surplus of \$1.2 million. In each case, our trading result is completely obscured by the tram depot extension and renovation project. During 2009/10 we received about \$700,000 more than we spent on the project while in 2010/11 we spent more than the \$700,000 that we received. So most of our loss last year should be read as the conversion of project cash into depot assets; assets that will show up

in Bendigo Council's balance sheet, not our own. The 2009/10 result was also positively affected by over \$500,000 in assets received from Bendigo Science & Technology Museum Inc on 30 June 2010 as a result of the decision of both boards that Discovery would be more efficiently run entirely within the Trust.

The high points: group visitations of our attractions bounced back from the depths of 2009/10. Discovery in fact had solid visitor results across the board. The Joss House expanded to seven day operations, and visitation jumped accordingly. We had an excellent retail sales result for the year, especially considering that the tram depot was closed the entire time.

However, the costs involved in operating without the main passenger lift at Central Deborah for ten weeks (instead of four as planned), the effect of the January floods on visitation, an inadvertent gap between tram depot project expenses and funding delivery (a question of timing rather than amount), the additional payroll costs of a new workplace agreement under a new awards scheme and other matters left the Trust in a very poor cash position by year's end. As an organisation we are not able to fund ourselves through rough patches with bank loans or fresh equity, and so Council provided a loan of \$300,000 to see us through.

The Trust has in recent years paid down all of its other debt (save a small amount attached to the Discovery Centre which will

be fully retired in the coming months). While the need to take on new debt is unfortunate, it is in aid of a surplus-generating business proposition — being a ready and reliable partner to the State Government and the Melbourne tram franchisee — and so should not be confused with other “bail outs” in the Trust's past.

Unlike financial downturns at the Trust in the early 2000s and mid-1990s our problems relate not to the fundamental question of how to fund the basic operation of the Trust: that is not seriously in issue. The cash crunch of 2011 was just that, and that is why we were able to make do with a loan rather than a handout, and at that a loan considerably smaller than the grants that were required in 2002 – 2003. We are grateful to Council for agreeing to help out when we needed it and look forward to repaying the loan over the next several years.

We have budgeted in 2011/12 for a surplus and have put several strategies in place to control costs so we can promptly repay the loan and also rebuild the Trust's cash reserves.

Milestones

We celebrated the Trust's 40th anniversary in November 2010. This major milestone was appropriately celebrated at the Annual General Meeting, which also marked the retirement of Dennis O'Hoy after 40 years on the Trust Board. Of course, Dennis hasn't really gone away and we wouldn't want him to.

*Pictured below:
Main passenger lift at Central
Deborah Gold Mine being
removed for maintenance.*

*The new dome being
assembled in the Bendigo
Planetarium at Discovery.*



"In sum, 2010/11 was a busy and challenging year, during which we made real progress on several long-term projects."

Business and Strategic Planning

Since 2008, the Trust has been guided by its Strategic Plan 2008–13. This document focuses our planning on several key objectives, while achieving them is carried out in a variety of ways over the five years of the plan. The Plan itself is reviewed annually and modified as needed to reflect changing circumstances while still providing the consistent longer-term focus that gives shape to our activities.

Each year, the Trust adopts a Business Plan drawn from the objectives and goals set out in the Strategic Plan. The annual budget is also built in tandem with the Business Plan.

During 2010/11 we fulfilled many of the primary tasks we set in our business plan, including:

- Employing a full-time Bookings Officer and replaced our ageing bookings system with a much more capable and accessible system that is compatible with State and National tourism initiatives.
- Completing the process of replacing all of the Trust's websites (Trust, Tramways, Discovery and Central Deborah).
- Obtaining new work for the Tramways Workshop, and made advances in succession planning and project management.
- Overhauling the main passenger cage and completing works to launch our new lower level tour at Central Deborah Gold Mine.
- Opening the Joss House everyday.
- Opening the new Nolan Street (Lake Weeroona) tram stop.
- Signing a new agreement with Council, bringing our various management roles and responsibilities together in a single document.
- Exceeding our targets for group and school visitation and retail sales, but unfortunately we did not meet our targets for general public visitation.

Several items in our business plan, such as remedial works to our reception building at Central Deborah, were deferred for various reasons and have been picked up in this year's action items (see below). And finally, several items were not completed or unsuccessful.

For instance, amendments to the Mineral Resources (Sustainable Development) Act that eliminated Tourist Mining Authorities (TMA) as a legislative streamlining measure made our goal of amending our TMA redundant. Instead, we are working with Sovereign Hill now to see that there are no unintended costs or other adverse consequences to tourist mines by the State Government's action.

Our plan for 2011/12 has several principal goals:

- Complete the Tramways Avenue depot extension project, and commence new on-site trades training programs.
- Continue to build the business of the Bendigo Tram Heritage Rail Workshop, and in particular cement a relationship with Yarra Trams.
- Make a success of the new retail shop at Tramways Avenue (opening late 2011) and a success of our new Nine Levels of Darkness tour at Central Deborah.
- New websites for Bendigo 976 Tram Restaurant and Bendigo Joss House.
- Continue our program of restoration and improvement underground and on the surface at Central Deborah and along the tram route.

In sum, 2010/11 was a busy and challenging year, during which we made real progress on several long-term projects. 2011/12 will be an exciting year, and one that will see the completion of the depot extension project and hopefully a lot more!



Lloyd Cameron
Chairman



Tom Seddon
Chief Executive Officer

Pictured right: The Bendigo Tram Heritage Rail Workshop undertakes restoration projects that - quite literally - bring transport history to life.





CENTRAL DEBORAH GOLD MINE

Karl Penrose, Mine Manager

The highlight of the year would certainly have to be the launch of our new *Nine levels of Darkness* tour. It has been well received and even exceeded the expectations of all who have taken the tour. However, *Nine Levels* is not all that has happened here at Central Deborah Gold Mine.

Mine Surface

Work on the Trestleway has been completed. We now have new decking stretching from the Headframe to the Battery Shed. These works also included the replacement of the Trestleway fencing. Onsite, we removed the original bases to allow the fitting of new beams to support the Trestleway. Once the beams are installed, we will refit the original bases. The support beams are currently being manufactured off site. Work on the Ore Bins has also begun.

Around the site generally, we have seen many improvements. Thanks to our dedicated volunteers, our gardens are looking fantastic and our buildings have seen some much needed works carried out.

Underground

Works underground in 2010/11 included:

- Completion of the Shaft Certification works:
 1. Installation of a static line system between Level 6 and 9.
 2. Interfacing all interlock wiring and commissioning.
 3. Overhaul of shaft communications.
 4. Engineer's sign off of the shaft between Level 3 and 9.
- Completed extensive ground support installation on Levels 6, 8 and 9.
- Geotechnical Engineer's sign off of Level 6, 8 and 9 for public access.
- A full overhaul of the Alimak Hoist and associated infrastructure. All tours went via the main shaft using the winder for 10 weeks while works took place.
- Underground support maintenance in line with our monthly Geotech inspections.
- Works toward commissioning the fire system.
- WorkSafe have conducted various audits of our site raising no substantive issues and also reviewed and approved the *Nine Levels of Darkness* tour.
- The manufacture and installation of various display items.

Nine Levels of Darkness tour

The mining crew and all those involved certainly had their work set out for them this year and the official launch of this tour made it all worthwhile. Apart from the completion of underground works that now allow the public to visit our lower levels, much more was needed before the first tour took place.

The mine unit has also constructed many displays for the new tour, including a special ore truck, an explosives display (this has had everyone fooled, they think they are handling real explosives!), and an awesome sound system that replicates the sound of the explosives going off underground (again, we get asked "was that real?"). Just to add to the fun, we made an old type plunger, like the ones you would see in a cartoon, which our visitors use to set the "explosives" off.

Thanks must go to the Mining Crew and all the staff involved for what has been achieved. An absolutely outstanding effort by anyone's standard. Well done!

Winder

Training has continued this year as we have found time to achieve it. Tim Carr was signed off as a Central Deborah Winder Driver and others are in training.

Workplace Health and Safety

As always, we are constantly reviewing our techniques and procedures to ensure a safe environment for all staff and visitors. We arranged for Oscar One Mine Rescue Team to visit the lower levels of the mine as a familiarisation exercise. They raised no issues in the advent of an emergency.

Tours

Level 2 tours remain steady with nearly 30,000 visitors underground. Level 3 tours have also done well, being only slightly down on last year's "best ever" result. Groups are trending upwards, about 10% above last year. This year we also had multiple groups from the MFB and the CFA use our site for their training requirements. Once again we operated *Cage Rider* during busy periods to Level 3 as well as a one-off special *Cage Rider 228* which saw participants descend to Level 9 for a "sneak peak" of the new *Nine Levels of Darkness* tour prior to its launch.

Pictured Left:
Nine Levels of Darkness has exceeded the expectations of all who have participated in the new tour.

Tim Carr tried out the new ladders that were manufactured as part of the Shaft Certification works.

Central Deborah Gold Mine hosted the Victorian Gold Panning Championships for the first time in 2010.

Bendigo's Mayor, Cr Rod Fyffe, couldn't resist taking part in Cage Rider 228.

BENDIGO TRAMWAYS

Jos Duivenvoorden, Tramways Manager

“The Tram Depot re-development has been the most exciting project for Bendigo Tramways for a generation.”

The last 12 months have been both exciting and challenging – exciting because the Tram Depot redevelopment commenced with the awarding of a multi-million dollar contract. Challenges were evident as in every other year, with attendances being flat while costs continued to increase. External works for the heritage workshop have been volatile and, particularly, the hoped for works on the City Circle trams have been slower to commence than expected.

Tram tours, charters and other services

Standard service trips by the trams for 2010/11 were down slightly and there was a corresponding reduction in passenger numbers. A general decline of 2% was recorded as service passenger numbers fell from 34,773 to 33,519. Encouragingly, our tram group bookings increased significantly from 5,160 to 8,432 passengers. This resulted in our overall passenger numbers increasing by 5%. The increasing demand for specials and charters is likely to continue to be the best opportunity for growth in the Tramway passenger business.

Bendigo Ninesevensix Restaurant Tram

The restaurant tram continues to provide a great opportunity for locals and visitors to experience Bendigo's heritage whilst enjoying fine food. This great dining experience is well-patronised with consistent individual bookings as well as charter bookings for special events. It is fantastic to see the ninesevensix tram in the evenings “flying the flag” for Bendigo Tramways, The Bendigo Trust and Bendigo as a whole.

Bendigo's Tram Fleet

The active tram fleet comprises 14 vehicles that are used for regular services. Actual vehicles used are determined by weather conditions, availability of conductor/drivers and the passenger numbers needing to be accommodated. Restoration of vehicles still relies on external grant funding. Significant works were carried out on Tram 31 prior to it being shipped to Auckland on a three year lease. No other significant restoration or refurbishing was carried during the period.

The current fleet of trams is adequate for the level and range of service currently provided.

All trams temporarily stored at Thales during the Depot redevelopment have been retrieved and are currently in “deep” storage at the gas works. A plan will be prepared over the next year that will identify the potential of the trams and determine priorities for restoration.

Collection management

The Bendigo Tramways Reference Group was formed in February 2011 and will provide advice to the Bendigo Tramways Manager on the management of all of the Tramways assets, but especially management of the tram collection and associated equipment and fittings. In particular it will advise on acquisitions, disposals, utilisation of the trams (which trams are appropriate for use) and tram refurbishments and restoration (priorities and historic framework).

Tramway Network Assets – Track and Overhead

The DDA compliant new tram stop at Lake Weeroona was commissioned in mid-2010. Minor track and overhead works were carried out at various locations on the network to ensure safety and reliability. The replacement of poles in Pall Mall by Powercor has been deferred until early 2012.

Bendigo Tram Heritage Rail Workshop

Tram 31 was identified as the best vehicle to be provided to the new Auckland tramway system. It received a significant overhaul prior to being shipped to Auckland. This tram is now in excellent condition and should be a reliable income producing asset for the foreseeable future.

Haddon Tram 663 – Ongoing works for the Melbourne Tramcar Preservation Assn on their tram 663 is nearing completion. This tram has provided a consistent stream of minor works for the team in the workshop.

Yarra Tram 957 was delivered early in 2011 to the Tram workshop as the first City Circle Tram to be totally overhauled and refurbished. The initial strip down to a bare frame has been completed. Sandblasting and crack testing identified several issues for review and consideration by Yarra Trams and the Transport

Department. As a result works and revenue from the City Circle fleet project did not proceed as quickly as envisaged in the budget. Other significant works have been carried out for Hobart and Launceston Tramways with minor works for various other organisations in Australia and New Zealand. Our strong dollar is currently disadvantaging any commercial undertakings with other international customers.

Tram Depot redevelopment

The Tram Depot redevelopment has been the most exciting project for Bendigo Tramways for a generation. The works for Stage 1 were 80% complete by June and it is clear that it will make a significant difference in the capacity of the workshop to deliver on external works, and to make the depot and workshop into a busy visitor attraction. It has been challenging at times working with and around the contractor but these short-term issues are minor inconveniences when compared to the immense benefits that will accrue once the works are completed.

Operations

Staff and volunteers:

Bendigo Tramways continues to rely on its volunteers in all areas of operations and they are to be lauded for their dedication and

efforts in contributing to both day-to-day tram services as well as making a significant contribution to refurbishing, restoring and maintaining our fleet of trams. We could not survive without their incredible input and effort. Maintaining a highly skilled staff and volunteer base continues to be a focus of Bendigo Tramways.

Safety Management System:

The Safety Management System required to operate our trams on the road has settled in well. Its annual review provides for continuous improvements. The external audit and accreditation process was completed by Public Transport Safety Victoria with only minor issues and opportunities for improvement being identified.

Organisational development

The Tramways organisational restructure has been implemented following a thorough review of needs in late 2010. The restructure has involved the creation of three departments focused on:

- a) Tram Services
 - b) Network and Assets
 - c) Bendigo Tram Heritage Rail Workshop
- Some initial restructuring has occurred with improved flexibility in staffing to facilitate and manage the demand for external works.

*Below Left:
The works for stage one of the
Tram Depot redevelopment
were 80% complete by June.*

*Below Right:
Tram No. 466 was restored at
Bendigo Tram Heritage Rail
Workshop before making its
way to the new Auckland
Tramway system.*





DISCOVERY SCIENCE & TECHNOLOGY CENTRE

Lisa Gormley, Discovery Manager

After a slight dip in visitor growth in 2009/10, Discovery bounced back with a very busy year in 2010/11. With the new Planetarium Dome and Lab Workshops drawing in visitors and schools alike, visitor growth was in the double digits.

A major project in 2010/11 was the refurbishment of the planetarium dome with the installation of a permanent aluminium dome, along with major ceiling and insulation works.

Science and planetarium shows continue to be the main focus of our holiday periods, with the holiday Lab Workshops complimenting them nicely. Topics included:

- Explosions
- Bubbles
- Spinning
- Kitchen science

In the planetarium we explored:

- Giant stars
- The hubble telescope
- Equinoxes and solstices

The Science in a Suitcase program has continued with schools in the region and new kits were made which included "Sound and Light" and "Mouse Trap". This program also includes the provision of professional development opportunities for teachers, with twelve teachers participating in sessions at the start of 2011.

The Lab area of Discovery is a popular multi-purpose area that is used for:

- Birthday parties
- Sleepover meals
- Curious Kids
- Lab Workshops

Lab Workshops have become an essential part of many school visits. We now have six workshops on offer and an average of 70% of bookings also include workshops. Workshops have become a regular part of the holiday programs.

Discovery continues to support many local key events such as Australia Day, Easter (in 2011 attending both Good Friday and Saturday) and La Trobe University's Grandkids Day. Next year we will be at the Bendigo Show and the RACV Energy Breakthrough.

Discovery's role as a science communicator comes to the fore each year as it plans and runs a suite of activities during National Science Week. The 2010/11 theme was "Dare to be Different" and focused on The Year of Biodiversity. A lecture, debate, trivia night and reptile show were highlights.

All of these achievements come about because of the generous support of a number of organisations and relationships and the hard working team of staff and volunteers at Discovery and The Bendigo Trust.

"With the new Planetarium Dome and Lab Workshops drawing in visitors and schools alike, visitor growth was in the double digits."



Above: Science shows, Planetarium shows and Lab workshops are an important draw card each school holidays.

BENDIGO JOSS HOUSE TEMPLE

“A highlight of the year was the Lantern Festival in February, an event we intend to repeat annually.”

The Bendigo Trust has been the custodian and manager of the Joss House since 2007. The site is well maintained by volunteers, and a formal Conservation Management Plan has been produced with funding from Heritage Victoria.

The arrival in late 2010 of Joss House Supervisor, Darren Wright, led quickly to an increase in volunteer numbers and soon after we were finally able to open the temple daily.

Visitation increased substantially during the year, especially once the Joss House was open more often.

A highlight of the year was the Lantern Festival in February, an event we intend to repeat annually.

Right: Children from the Bendigo Creche and Day Nursery decorated all of the lanterns that were on display at the Lantern Festival and helped to make the event a success.



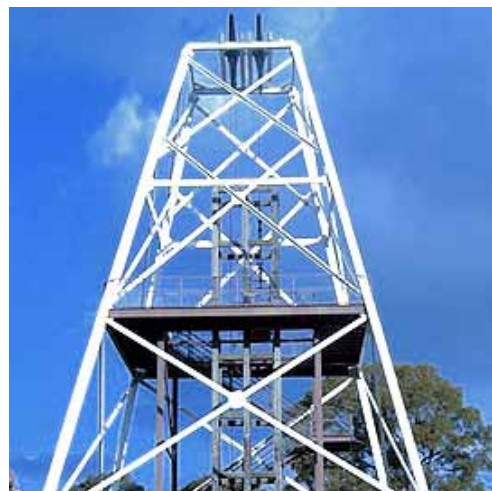
Bendigo Gas Works and Victoria Hill

The Bendigo Gas Works remain closed to the public pending a plan to develop the site. The plant is maintained in working order.

Victoria Hill continues to recover from the Black Saturday bushfires of 2009, with Council and Parks Victoria recently replacing the fire damaged signage.

Victoria Hill was also the focal point of the National Trust's local activities during their annual Heritage Festival.

Victoria Hill's large and beautiful site is open daily for visitors to enjoy, and guided group tours can be arranged through Central Deborah Gold Mine.



FINANCE REPORT

Mal Telford, Finance Manager

Summary

During the 2010/11 financial year, the net result from ordinary activities of the Trust for the reporting period amounted to a Net Deficit of (\$1,203,653) (2010: Surplus \$1,210,455) The net result before capital and specific items was a deficit of (\$249,914) compared to a surplus of \$717,319 last year. This was on a turnover of \$2,822,370 compared with \$3,023,119 previously. This deficit is mainly due to budgeted external works that did not occur during the year.

\$1,200,000 of available funding for the Depot project was received this year with \$1,913,493 spent. Last year \$800,000 was received and only \$114,468 spent on the project. This has the impact of skewing the results of the Trust over these financial years but can be explained above.

Admissions income increased by 2.2% from last year (including Discovery) and tracked budget but not midyear forecast expectations.

Our external works business increased by 11% this year but we budgeted for more.

Merchandise and souvenir sales (including Discovery) are up 4.6% with a turnover of \$230,197. Gross profit margins remain around 50%.

Payroll costs (including Discovery) increased by 15.7% to \$1,951,558. Admissions as a percentage of Payroll costs has decreased from 67% to 59%.

Balance Sheet and Cash Flow

As expected the balance sheet shows that

the organisation's equity has decreased from \$3,707,123 to \$2,503,470 mainly due to the spending of Depot Project funds.

The Trust undertook to borrow \$300,000 from the City of Greater Bendigo in order to meet its operating obligations for the year. This will be repaid over five years commencing on 1 July 2012 and is interest free.

Cash balances have decreased by \$765,663 in the year ended 30 June 2011 predominately due to depot project spending.

Outlook

Challenges do not go away in 2011/12. When the depot project is finally completed, it is expected to lead to increased external works business at the tramways and a works program for young people to develop trade skills that are much sought after in this country.

The 2011/12 budget and Business Plan has included a completion of improvement in our IT and communications, a marketing plan continuing to increase sales targeted at groups, a continuation of the Tram depot project works and an increase in external works as mentioned above.

Our payroll costs are predicted to reduce by 7% on last year's actual costs mainly due to efficiencies in the mine guiding unit.

Our operating budget is predicted to be steady with last year and the budget (as usual) needs to be monitored closely to ensure the viability of the Trust into the immediate future.

"Admissions income increased by 2.2% from last year (including Discovery) and tracked budget."

Pictured below: Yarra Tram 957 was delivered early in 2011 as the first City Circle Tram to be totally overhauled and refurbished at the Bendigo Tram Heritage Rail Workshop.



SALES AND MARKETING

Evonne Oxenham, Sales and Marketing Manager

"By far the biggest project we had for the year was the product development of Nine Levels of Darkness at the mine"

The true test of any organisation is rising above the challenges and succeeding anyway. During 2010/11, we have had some huge projects to deliver on against a backdrop of consistent negative macro-economic events which were beyond our control ... and which continue to be a major concern into the immediate future. Staying on top of these challenges and finding ways to keep the wheels turning fast enough to deliver the high quality product that we expect of ourselves is not easy. From a sales and marketing perspective, it has meant that we have had to cut back our spending without compromising sales and ensure our brands maintain their integrity by continuing to deliver a top rate customer experience. Feedback and admissions indicate that we have been successful and it is really thanks to the fantastic teams of staff and volunteers at all of the sites.

The Trust finished the year up on last year's figures and although we just missed our admissions target for the year, we easily achieved our retail targets (despite not having a shop at the Tramways due to the renovations).

Discovery deserves special mention as it has just rocketed back onto the radar with both groups, but mainly walk-in numbers reaching for the stars. Yes, all the astronomical references are intended given the recent

upgrade of the planetarium dome. We have always known what a great place Discovery is, but now it seems that everyone else has realised it too, and that's fantastic to see.

Nine Levels of Darkness

By far the biggest project we had for the year was the product development of Nine Levels of Darkness at the mine. Work started in the first quarter and gradually ramped up until the launch on 28 June 2011. There was a lot to be done in a short space of time and it was a pleasure to work with the very dedicated mine crew who pulled out all the stops to make it happen. Highlights from a marketing perspective were:

- The radio competition to determine the name.
- The development of the branding, photography and guide manual.
- The "Time for an awesome adventure" comic book.
- The launch (which also coincided with the mine's 25th anniversary of running underground tours).

The growth of the tour will take some time, as we have a bit of work to do to reach our target markets, however the feedback from those who have done the tour has been excellent.



Group bookings

After many years of making do with a booking system originally designed for use in a cemetery, we went live with our new booking system just before Easter school holidays this year. The new system allows us to consolidate a lot of tasks into one system, makes it possible for staff at other sites to login to the system for information and enables us to offer our customers the facility to pre-book their tickets online. It also enables us to nominate agents to sell our products on our behalf using the system.

The Trust has a very complex set-up given the number of products that we manage, so the initial configuration of the system was no mean feat. In fact, it took a very dedicated Bookings Officer and the support of our supplier (Jewel Reservation Systems) about five months to get it all going. The system will continue to be a work in progress, but the good news is that we won't need to go through that transition again anytime soon.

More website updates

The updating of the websites continued with the redevelopment of the Tramways website taking place during the year. It was important to get this task done in advance of the reopening of the tram depot which is fast approaching.

We are also on the verge of launching a website for the Bendigo Joss House which is now open seven days a week. No one will argue that the Joss House is one of Bendigo's most under-promoted treasures and we are working to remedy that for good. The team at the Joss House consistently surpass customer expectations with the delivery of a fascinating and educational tour ... so it is about time we made sure more people go there to enjoy it.

Of course, websites no longer act as your only voice online anymore and as a result we are going to be spending a lot of time during the coming year getting our heads around the massive and continually evolving world of social media. We already have a presence on Facebook with healthy followings for the tramways, Discovery and the mine, however, that is only one of many channels ... we have some head scratching to do.

Depot reopening

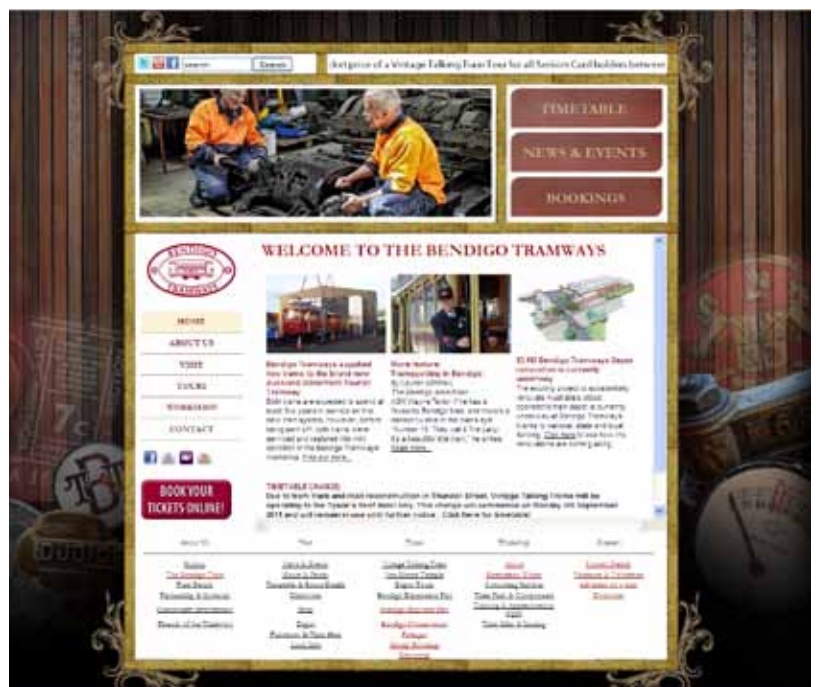
Without doubt, the next big thing is the reopening of the Depot which is just around the corner. There will be a new retail shop, a new Depot tour and a new approach to our "Talking" Tram product. We will also hopefully see external works in the Workshop ramp up and will need to develop a B2B marketing plan to help drive the growth of this part of the Tramways business for years to come.

*Below from left to right:
The "Time for an awesome adventure" comic book takes a light hearted look at was involved in getting Nine Levels of Darkness up and running.*

The new Nine Levels of Darkness brochure.

The Bendigo Trust CEO Tom Seddon and past Trust CEO Myra Potter cut the cake celebrating 25 years of underground tours.

The new Bendigo Tramways website was launched in November 2010.



ACKNOWLEDGEMENTS

Patron: The Hon. Alex Chernov AO
QC, Governor of Victoria

Auditors: Accounting & Audit
Solutions, Bendigo

Bankers: Bendigo Bank

Solicitors: Rogers & Every

The Bendigo Trust is grateful for the continued support of the following individuals and organisations:

Abbott Supplies
ABC Radio, Bendigo
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Association of Tourist Railways (Vic)
David Bannear, DSE
Bendigo Advertiser
Bendigo Art Gallery
Bendigo Bank
Bendigo Business Council
Bendigo Historical Society
Bendigo Market Place
Bendigo Tourism
Bendigo Volunteer Resource Centre
Bendigo TAFE
Tim Borchers, City Rail Solutions
BEST Employment
Warrington Cameron
Centro Lansell Plaza
Rob Charlton
City of Greater Bendigo
Howard Clark OAM
Contract Management Systems
COTMA
Department of Corrective Services (Vic)
Department of Primary Industries
Department of Sustainability, Environment,
Environment, Water, Population &
Communities (Cth)
Department of Transport (Vic)
H & J Doran-Specialty Sawm Timbers
Eaglehawk Heritage Society
East End Engineering
Goldfields Tourism
Good One Graphic Design
Heritage Victoria
Hobart City Council
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Launceston Tramway Museum
James Lerk

Stanley Liacos
Kathryn McKenzie
McKinney Ave Transit Authority, Dallas
Melbourne Tramcar Preservation Assn
Myer Bendigo
Leyon Parker, City of Hobart
Perth Electric Tramway Society
Powercor
PRIME Television
Gary Rowe, Safety Action Pty Ltd
Mike Ryan, Vic Track
John Smatlak
Anthony Smith, MTPA
Rohan Storey, National Trust (Vic)
Greg Sutherland
Bob Styles, Styles & Associates
Michael Taylor
Thales Australia
Sydney Tramway Museum
Graeme Thorn, Rogers & Every
Victorian Tourism Industry Council
Tourism Victoria
UME Australia
Unity Mining
Wine Bank on View
WorkSafe
Yarra Trams
VECCI

Life Members

Robert Aulsebrook	Graham Jordon
Helen Bruinier	Gordon McKern
Barry Callaway	Cas Sens
Bruce Carlisle	Walter Straede
Jack Evans	Phyllis Toy
Earl Ewers	Les Twining
Andrew Hall	Colin Withington
John Langley	

Honorary Life Members

Dennis Bell	Michael McGowan
Keith Kings	Jill Moorhead
James Lerk	Dennis O'Hoy
Daryl McClure	John Penhall
Myra Potter	David Wright

TRUST STAFF AND VOLUNTEERS

Trust Office

Chief Executive Officer Thomas Seddon
B. Arts, JurisDoctor

**Executive Assistant
and Human Resources**

Faye Gair
Mal Telford
B. Bus (Acc), CPA

Finance Manager

Finance Officer

Marika Power

IT Consultant

Barry Fitzpatrick

**Sales and Marketing
Manager**

Evonne Oxenham
B. Journalism

Marketing Officer

Tynille Thurlow
B. Marketing

Visitor Services Manager

Trevor Lamb

Visitor Services Officers

Denis Fitzgerald Glenis McKenna
Jill Moorhead Laura Maywood

Retail Manager

Andrea Stringer

Central Deborah Gold Mine

Manager Karl Penrose

Mine Maintenance and Tour Staff

Dianne Aulsebrook Mark Bannerman
Kimberly Bradley Paul Burton
Tim Carr Semso Delibasic
Elaine Douglas Peter Dumont
Georg Hein Tamasin Hein
Daryl Hopgood Simon Jenkins
Laurie Jensen John McNamara
Sue Kimpton Bob McNeel
Neil Murray Joel Pearce
John Rofe Meryl Stone

Bendigo Chinese Joss House

Supervisor Darren Wright

Mikelle Dingwall Elaine Doling
Pat Dyball Gary Hill
Carol Holsworth Dennis O'Hoy
Stan Cue Ed Williams

Bendigo Tramways

Manager Jos Duivenvoorden

Team Leader –

Workshop Luke Jenkins

Team Leader – Engineering

& Network Assets Tim Blythman

Team Leader –

Tram Services Anita Bagley

Engineer Richard Clarke

Depot and Workshop Staff

Julie Cain Glenn Carter

Simon Jenkins
Michael Lowther

Sam O'Brien

John Penhall

John Ritchie

Damien Steel

Wayne Taylor

Shirley Turner

Volunteers

Ken Andison

Esma Carr

Russell Birch

Peter Black

Kelvin Cain

Bill Chan

Merle Clowes

Andrew Cook

Ronald Dean

Pat Dyball

Kaylee Fisher

Paul Gibson

Joseph Gould

John Hawkins

Gary Hill

Frank Hoffs

Leo Hourigan

Andrew Howlett

William Jolly

Frank Khoury

Stephen Kirkpatrick

Mike McAlister

Sandra McCullough

Michael McGowan

Len Millar

Janet Northrope

Debbie Penhall

Greg Robinson

Ross Rowley

Ian Stimpson

Alicia Taylor

Ross Turton

John Wells

John Whiting

Scott Kendall

Maree O'Brien

Emily Penhall

Karl Penrose

Denis Rodda

George Stirling

Peter Turner

Les Woodfield

Jann Butler

John Biele

Allan Birchmore

Terry Boardman

Shannon Carter

John Clowes

Jo Clough

Stan Cue

Elaine Doling

Bill Earl

Victor Gardner

Rod Gill

Patrick Hannen

Jim Henderson

Michael Greenall

Carol Holsworth

Finn Hourigan

Bruce Johnson

Tony Kelynack (dec)

Sue Kimpton

Victoria Logan-McArthur

Campbell McCullough

James McGregor

Marianne Midelburg

George Morrison

Brenden (Bob) O'Brien

Murray Penrose

Linda Rowley

Mark Sole

James Sutherland

Judith Tubb

Gary Watts

Ed Williams

People listed in *italics* have been made Honorary Members of The Bendigo Trust for 2010 – 11 in recognition of 100 or more hours voluntary service this past year. Thank you again to our Honorary Members and all of our volunteers.

THE BOARD OF DIRECTORS



Mr Lloyd Cameron

Director/Chairman (Current term expires 2013). Board Member since February 2003.

Qualifications: Electrical Engineer. Retired Chairman Central Victoria Area Consultative Committee. Past President, Castlemaine Rotary. Director at BRIT since 2002 and past Chairman.



Mr Michael McGowan

Director (Current term expires 2013). Board Member since October 2007.

Qualifications: Dip General Studies (Bendigo College of Advanced Education), Dip Ed (State College of Victoria Hawthorn), Cert IV Workplace Trainer and Assessor, Cert of Competency Tram Driver (Bendigo Tramways and Melbourne & Metropolitan Tramways Board).

Volunteer Conductor, Driver, Traffic Officer, Driver Examiner, Roster/Timetabling Clerk, Website Designer/ Author and Tramways Consultant to Bendigo Tramways since 1972. Honorary Life Member of The Bendigo Trust. Former Teacher, Leading Teacher – Dept of Education & Training (Swan Hill) 28 years, retired 2006. Two years industrial experience including Bendigo Tramways (Operations Manager), Miller Carpets and Melbourne & Metropolitan Tramways Board.



Mrs Patricia Cotton OAM

Director (Current term expires 2013). Board Member since 2009.

Patti is a former Councillor, twice Mayor of the City of Waverley and Commissioner of the City of Knox. She is Board Chairman Radius Disability Service, Board Director Continuing Education Bendigo, Chairman Human Rights Committee, Council member of Bendigo Agricultural Society,

Chairman Vision Australia Development Committee, member and past President of the Rotary Club of Bendigo Sandhurst, committee member Friends of Bendigo Art Gallery, Order of Australia Loddon Campaspe Group and management committee Prince of Wales Showgrounds and City of Greater Bendigo 2011 Citizen of the Year.



Mr Craig Niemann

Director (Council Nominee). Board Member since 2011.

Craig joined the City of Greater Bendigo in October 2005. He has more than 25 years experience working in the local government sector including roles at the Borough of Eaglehawk and the Shire of East Loddon. Prior to joining the City, Craig was Shire of Loddon CEO - from 1997 to 2005.

Craig's history also includes serving on the board of North Central Regional Goldfields Library for 10 years and board member of the Inglewood and District Health Service for more than 10 years. Craig is a Board Member of Regional Development Australia – Loddon Mallee Region.



Cr James Reade

Director (Council Nominee). Board Member since 2009.

At the age of 19 James was elected in November 2008 as a City of Greater Bendigo Councillor (Sandhurst Ward) making him the youngest ever person to be elected as Councillor in Greater Bendigo.

James holds many roles on boards and committees throughout Bendigo including

B Central Advisory Committee, Bendigo Bluelight Committee, Bendigo Umpires Association and All Wheels United committee.

James is a CFA volunteer with the Axe Creek Fire Brigade, a volunteer at Special Needs Family weekend camps with the Catholic Education Office and is an accredited senior football field umpire. He was the City of Greater Bendigo's Young Citizen of the Year in 2006.



Mr Wayne Gregson

Director (Current term expires 2011). Board Member since 2010.

Wayne has spent most of his working life as a journalist, in print, TV and radio newsrooms.

Wayne was elected to the City of Greater Bendigo in 2004, representing the central Sandhurst Ward and was the council's nominee on The Bendigo Trust board from 2004 to 2008.

Wayne currently works as an electorate officer in the State Government. Wayne is a graduate of the Australian Institute of Company Directors and has a Cert IV in marketing.



Mr David Wright

Director/Deputy Chairman (Current term expires 2011). Board Member since 1996 (Council Nominee 1996-2007).

Qualifications: Diploma of Commerce, Certified Practicing Accountant (CPA), Municipal Clerk, Associate Fellow of Australian Institute of Management.

David has spent his entire 48 year career in Local Government having held the positions of Accountant at the Shire of Corio, Deputy Town Clerk at Portland, Shire Secretary for over 25 years at Gordon Shire at Boort and Strathfieldsaye Shire. Since the formation of the City of Greater Bendigo in 1994 he has held the position of Manager Property and Council Nominee on the Trust Board. David is now retired and holds a number of voluntary positions in community groups within our community .



Mr Thomas Seddon (ex officio)

Chief Executive Officer. Qualifications: B Arts (The Ohio State University), JurisDoctor (Cincinnati).

Chief Executive of The Bendigo Trust since June 2005. Past Chairman Bendigo Tourism Board, Advisor to Asia/Pacific AIDS Congress (Japan 2005, Sri Lanka 2007, Indonesia 2009), World Health Promotion Conference (Vancouver

2007 and Zurich 2010) and 5th World Mental Health Promotion Conference (Melbourne 2008). Title Editor Title XXII, The Laws of Australia. Previously, CEO 18th World Conference on Health Promotion (2004), 6th International Congress on AIDS in Asia and the Pacific (2001). Member of the Rotary Club of Bendigo and Bendigo +25.



Mrs Helen Yorston

Director/Vice Chair (Current term expires 2011). Board member since 2005.

Manager of Bendigo Volunteer Resource Centre, Secretary & Public Officer of Loddon Mallee Interchange Inc, member of Bendigo Easter Festival Committee of Management, past President of Bendigo Easter Fair Inc., Secretary of Royal Victorian Association of

Honorary Justices – Bendigo Branch, Trustee for Bendigo Community Theatre & Arts Inc Public Fund, member of Executive Management Team – Bendigo Regional YMCA, member of Victorian Volunteer Resource Centres' Network, Secretary of Bendigo Volunteer Network.



Mr Clive Walker

Director/Chairman - Finance and Audit Committee (Current term expires 2012). Board Member since 2003.

Qualifications: Fellow, CPA Australia (FCPA), Diploma of Business Studies (Accounting).

Chair Bendigo Science & Technology Museum. Senior Manager, Subsidiary Accounting & Reporting , Bendigo Bank Group.

Over 35 years experience in corporate accounting and finance. Councillor, Bendigo Branch, CPA Australia and member of other community-based committees.

Financials

Concise Financial Report for the year ended 30 June 2011

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DIRECTORS' REPORT

Directors

The names of directors in office throughout the year and at the date of this report are:

Name	Position	Meetings Attended
Mr Lloyd Cameron	Director/Chairman	8/9
Mrs Patti Cotton	Director	7/9
Mr Jos Duivenvorden (resigned Dec 2010)	Director/Company Secretary	3/3
Mr Michael McGowan	Director	9/9
Mr Wayne Gregson (commenced Dec 2010)	Director	5/5
Mr Dennis O'Hoy (retired Nov 2010)	Director	3/3
Mr Craig Niemann (commenced May 2011)	Director	1/2
Cr James Reade	Director	6/9
Mr Clive Walker	Director/Chairman – Audit Committee	6/9
Mr David Wright	Director/Deputy Chairman	6/9
Mrs Helen Yorston	Director/Company Secretary	8/9

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of the Bendigo Trust during the financial year were tourist operations and development and maintenance of heritage assets. With the Discovery merger from July 1 2010, education can now be included.

There were no significant changes in the nature of the principal activities of the Trust during the financial year.

been an officer of the Trust:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Operating results

The net result from ordinary activities of the Trust for the reporting period amounted to a Net Deficit of (\$1,203,653) (2010: Surplus \$1,210,455).

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Trust.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Indemnifying officers

The Trust has not, during or since the financial year, in respect of any person who is or has

Remuneration report

Since the end of the previous financial year no director of the entity has received or become entitled to receive a benefit other than:

- A benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts; or
- A fixed salary as a full-time employee of the entity or of a related corporation, by reason of a contract made by the entity or a related entity corporation with the director or with a firm of which they are a member or with an entity in which they have a substantial financial interest.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307c of the Corporations Act 2001 is set out on the last page of this report.

Signed in accordance with a resolution of the Board of Directors



L E Cameron
Chairman

Dated this 26th day of October 2011



L C Walker
Director, Chairman—Finance & Audit Committee

DIRECTORS' DECLARATION

THE BENDIGO TRUST ABN 39 005 014 175 DIRECTORS' DECLARATION

The directors of The Bendigo Trust declare that with respect to the concise Financial Report of the Trust for the year ended 30 June 2011:

1. The financial statements and notes, as set out in the proceeding pages are in accordance with the Corporations Act 2001 and they:
 - (a) comply with Accounting Standards AASB1039: Concise Financial Reports; and
 - (b) have been extracted from the full financial report for the year ended 30 June 2011 and are consistent with the full financial report of The Bendigo Trust;

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



LE Cameron
Chairman of Directors



L C Walker
Chairman, Finance & Audit Committee

Dated this 26th day of October, 2011

INFORMATION ON THE BENDIGO TRUST

CONCISE FINANCIAL REPORT

The concise financial report is an extract from the full financial report for the year ended 30 June 2011. The financial statements and disclosures in the concise financial report have been derived from the 2011 financial report of The Bendigo Trust. A copy of the full financial report and auditor's report will be provided to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on The Bendigo Trust's financial statements and the information contained in the concise financial report has been derived from the full 2011 financial report of The Bendigo Trust.

Statement of Comprehensive Income

The net result from ordinary activities of the Trust for the reporting period amounted to a Net Deficit of (\$1,203,653) (2010: Surplus \$1,210,455).

The net result before capital and specific items was a deficit of (\$249,914) compared to a surplus of \$717,319 last year. This was on a turnover of \$2,822,370 compared with \$3,023,119 previously.

\$1,200,000 of available funding for the Depot project was received this year with \$1,913,493 spent. Last year \$800,000 was received and only \$114,468 spent on the project. This has the impact of skewing the results of the Trust over these financial years.

Admissions income increased by 2.2% from last year (including Discovery) and tracked budget but not mid-year forecast expectations.

Our external works business increased by 11% this year.

Merchandise & Souvenir sales are up 4.6% with a turnover of \$230,197. Gross profit margins remain around 50%. Payroll costs (including Discovery) increased by 15.7% to \$1,951,558. Admissions as a percentage of Payroll costs has decreased from 67% to 59%.

Statement of Financial Position

As expected the balance sheet shows that the organisation's equity has decreased due to the spending of Depot Project funds from \$3,707,123 to \$2,503,470.

The Trust undertook to borrow \$300,000 from the City of Greater Bendigo in order to meet its operating obligations for the year.

This will be repaid over five (5) years commencing on 1 July 2012 and is interest free.

Statement of Changes in Equity

Equity has decreased by \$1,203,653 mainly due to utilisation of depot project funding.

Cash Flow Statement

Cash balances have decreased, predominantly due to depot project spending, by \$765,663 for the year ended 30 June 2011.

PLEASE NOTE!

This concise financial report is an extract from the financial report and the financial statements and specific disclosures included in this report have been derived from the financial report. This concise report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of The Bendigo Trust as the financial report. Further financial information can be obtained from the financial report and is available, free of charge, on request.

AUDITOR'S REPORT



Independent Audit Report to the Members of

THE BENDIGO TRUST

Report on the Concise Financial Report

We have audited the accompanying concise financial report of The Bendigo Trust, which comprises the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and related notes, derived from the audited financial report of The Bendigo Trust for the ended 30 June 2011, as well as the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Directors' Responsibility for the Financial Report

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures which were conducted in accordance with Auditing Standard ASA 810: Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of The Bendigo Trust for the year ended 30 June 2011. We expressed an unmodified audit opinion on that financial report in our report dated 28th October 2011. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to auditing engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

BENDIGO

3 Kennedy Street, PO Box 1023, Bendigo VIC 3552
T - 03 5441 4966 • F - 03 5441 8654

ECHUCA

211 Anstruther Street, PO Box 336, Echuca VIC 3564
T - 03 5482 1198 • F - 03 5482 3488

www.evolveaccounting.com.au

AUDITOR'S REPORT

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion on whether, in all material respects, the concise financial report complies with AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of The Bendigo Trust on 28th October 2011 would be on the same terms if given to the directors as at the date of this auditor's report.

Audit Opinion

In our opinion, the concise financial report including the discussion and analysis of The Bendigo Trust for the year ended 30 June 2011 complies with Accounting Standard AASB 1039: Concise Financial Reports.

AUDITOR'S REPORT

Inherent Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 1 to the financial statements, The Bendigo Trust's ability to continue as a going concern and meet its debts and commitments as they fall due, are dependent on The Bendigo Trust achieving a number of objectives.

The directors believe that The Bendigo Trust will be successful in achieving these objectives and have accordingly prepared the financial report on a going concern basis.

At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report as at 30 June 2011. Accordingly, no adjustments have been made to the concise financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary should The Bendigo Trust not continue as a going concern.

EVOLVE ACCOUNTING SOLUTIONS



P J Best - Partner

Dated this 28th Day of October 2011

3 Kennedy Street, Bendigo Vic 3550

FINANCIAL STATEMENTS

The Bendigo Trust - ABN 39 005 014 175

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Revenue		
Revenue from		
Operating Activities	2,822,370	3,023,119
Expenses		
Employee Expenses	(1,951,558)	(1,489,440)
Supply Items	(346,769)	(241,037)
Major Works	(319,471)	(228,524)
Other Operating Expenses	(448,143)	(335,119)
Finance Costs	(1,093)	(4,280)
Audit Fees	(5,250)	(7,400)
Net Result before Capital and Specific Items	<u>(249,914)</u>	<u>717,319</u>
Revenue from Capital Purpose Income	1,200,000	800,000
Expenditure using Capital Purpose Income	(1,913,493)	(114,468)
Depreciation	(251,719)	(202,079)
Available For sale revaluation reserve gain/(loss) recognised	11,473	9,683
Net Result for the Year	<u>(1,203,653)</u>	<u>1,210,455</u>
Other Comprehensive Income		
Net gain on revaluation on non-current assets	-	61,325
Comprehensive Result for the year	<u><u>(1,203,653)</u></u>	<u><u>1,271,780</u></u>

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	2011	2010
	\$	\$
ASSETS		
Current Assets		
Cash and Cash Equivalents	27,481	793,144
Trade and Other Receivables	130,272	153,469
Investment Property	245,000	245,000
Inventories	101,215	103,978
Refundable Deposits	17,600	-
Prepayments and Accruals	7,001	2,554
Total Current Assets	<u>528,569</u>	<u>1,298,145</u>
Non Current Assets		
Other Financial Assets	-	95,888
Property, Plant and Equipment	2,941,649	2,992,534
Total Non Current Assets	<u>2,941,649</u>	<u>3,088,422</u>
Total Assets	<u><u>3,470,218</u></u>	<u><u>4,386,567</u></u>
LIABILITIES		
Current Liabilities		
Trade and Other Payables	331,839	285,795
Provisions	262,676	268,377
Borrowings	21,303	62,237
Other Liabilities	17,600	-
Total Current Liabilities	<u>633,418</u>	<u>616,409</u>
Non Current Liabilities		
Provisions	33,330	44,795
Borrowings	300,000	18,240
Total non Current Liabilities	<u>333,330</u>	<u>63,035</u>
Total Liabilities	<u><u>966,748</u></u>	<u><u>679,444</u></u>
Net Assets	<u><u>2,503,470</u></u>	<u><u>3,707,123</u></u>
Equity		
Asset Revaluation Reserves	144,800	144,800
Retained Earnings	2,358,670	3,562,323
Total Equity	<u><u>2,503,470</u></u>	<u><u>3,707,123</u></u>

FINANCIAL STATEMENTS

The Bendigo Trust - ABN 39 005 014 175

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 30TH JUNE 2011

	Retained Earnings \$	Asset Revaluation Surplus \$	Total Equity \$
Balance at 1 July 2009	2,290,543	144,800	2,435,343
Net Result for the Period	1,271,780	(9,683)	1,262,097
Revaluation Increment/(Decrement)	-	9,683	9,683
Balance at 30 June 2010	<u>3,562,323</u>	<u>144,800</u>	<u>3,707,123</u>
Net Result for the Period	(1,203,653)	(11,473)	(1,215,126)
Revaluation Increment/(Decrement)	-	11,473	11,473
Balance at 30 June 2011	<u>2,358,670</u>	<u>144,800</u>	<u>2,503,470</u>

STATEMENT OF CASH FLOWS YEAR ENDED 30TH JUNE 2011

	2011 \$	2010 \$
Cash Flows from Operating Activities		
Receipts from customers & governments	4,190,329	3,482,118
Interest received	21,855	22,158
Interest paid	(1,093)	(4,280)
Payments for employees	(1,915,303)	(1,390,951)
Payments to suppliers	(3,120,068)	(780,389)
GST payments to ATO	(88,736)	(208,209)
Net Cash Inflow/(Outflow) from Operating Activities	<u>(913,016)</u>	<u>1,120,447</u>
Cash Flows from Investing Activities		
Payment for property, plant and equipment	(200,834)	(381,655)
Proceeds for disposal of investments	107,361	-
Receipt of Cash from merger with Bendigo Discovery Centre	-	17,802
Net Cash Inflow/(Outflow) from Investing Activities	<u>(93,473)</u>	<u>(363,853)</u>
Cash Flows from Financing Activities		
Proceeds from borrowings	300,000	-
Repayment of borrowings	(59,174)	(55,423)
Net Cash Inflow/(Outflow) from Financing Activities	<u>240,826</u>	<u>(55,423)</u>
Net Increase/(Decrease) in Cash Held	<u>(765,663)</u>	<u>701,171</u>
Cash at beginning of financial year	793,144	91,973
Cash at end of financial year	<u>27,481</u>	<u>793,144</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 1 : BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report is an extract from the full financial report for the year ended 30 June 2011. The concise report has been prepared in accordance with AASB 1039: Concise Financial Reports and the Corporations Act 2001.

The financial statements, specific disclosures and other information included in the concise financial report are derived from, and are consistent with, the full financial report of The Bendigo Trust. The concise financial report cannot be expected to as detailed an understanding of the financial performance, financial position and financing and investing activities of The Bendigo Trust. as the full financial report. A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request.

Rounding Of Amounts

All amounts shown in the financial statements are expressed to the nearest \$1.

Functional and Presentation Currency

The presentation currency of The Bendigo Trust. is the Australian dollar, which has also been identified as the functional currency of The Bendigo Trust.

NOTE 2 : SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

NOTE 3: GOING CONCERN

As at 30 June 2011, The Bendigo Trust (the Trust) had Equity, represented by Retained Earnings and Asset Revaluation

Reserve, of \$2,503,470 (\$3,707,123 in 2010) and a working capital deficit of (\$104,849) (Surplus of \$681,736 in 2010). The Trust recorded a Net Result of (\$1,203,653 deficit) for the year compared to a Net Surplus of \$1,210,455 in 2010, with a negative Net Cash Flows from Operating Activities (positive in 2010). Overall cash movement was a decrease of (\$765,663) (increase of \$701,171 in 2010). The Net Result before Capital & Specific Items is a deficit of (\$249,914) (Surplus of \$717,319 in 2010).

The Trust believes that there may be continued capital renewal commitments in the future arising from its use of assets that it operates on behalf of the City of Greater Bendigo but does not own. Accordingly the continuing viability of the Trust and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Trust being successful in:

- continuing to achieve sufficient future cash flows from its operations, including ongoing Council and Government
- support, to enable its obligations to be met;
- obtaining additional funding, capital raising or donations; and/or
- continuing agreement with the City of Greater Bendigo in respect to maintenance, repair and replacement of its mine and tram infrastructure.

The Directors believe that The Trust will be successful in achieving the above objectives and accordingly have prepared the financial report on a going concern basis.

At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report as at 30 June 2011. Accordingly, no adjustments have been made to the financial report relating to the recoverability and the classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary should the Trust not continue as a going concern.

AUDITOR'S DECLARATION

EVOLVE

ACCOUNTING SOLUTIONS

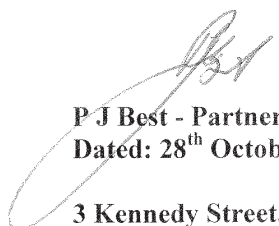
Successfully growing your financial future

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE BENDIGO TRUST**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011, there have been:

- (1) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (2) no contraventions of any applicable code of professional conduct in relation to the audit.

EVOLVE ACCOUNTING SOLUTIONS



P J Best - Partner
Dated: 28th October 2011

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