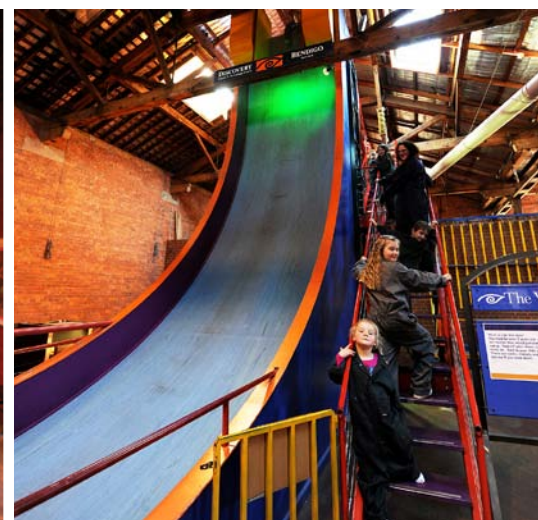




THE BENDIGO TRUST 2014-15 Annual Report





The Bendigo Tramways Workshop has had a busy year carrying out external works for the Miller Group, the Sydney Tramways Museum and the MIRVAC Group, whilst also restoring two of Melbourne's iconic City Circle trams.

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Central Deborah Gold Mine Nine Levels of Darness Tour.

FROM THE CHAIRMAN



**David Wright,
Chairman**

My last annual report foreshadowed the need for greater cooperation and support of our tourist business with all our key stakeholders, including the City of Greater Bendigo whose assets in the main are care-taken by The Bendigo Trust.

Following the consultancy by RMCG, both the Council and the Trust have embraced the 24 recommendations contained in the report to advance the financial stability of the Trust and deliver the highest quality tourist experiences to our visitors/clients.

One of the causalities of the review has been the detachment of the Discovery Science and Technology Centre from the Trust's oversight. A decision that was difficult for the Board, but nevertheless essential for the remainder of our business if we are to return to a strong financial situation and continue to enjoy the support of the Council.

Much to my personal delight the public of Bendigo rose up and rescued Discovery from almost certain closure to enable it to continue to trade. This was a wonderful outcome for all of us as the facility is an important part of the infrastructure of our community, despite it having to operate in an environment that sees the science centre in Melbourne heavily

subsidised by Government, with sadly no operational financial support from the Government to subsidise the daily running costs of the Centre, Discovery being the only regionally based science centre in Victoria.

The financial and moral support of the City of Greater Bendigo has been magnificent over the last year, with help and support to recruit our new CEO Ian Hart. Within a remarkably short period of time Ian has quickly grasped and understood our situation and with extraordinary enthusiasm, skill and expertise, taken charge of our business and recognised the areas where we need to change direction to achieve a stand-alone world class tourist operation.

Our CEO and Deputy Chairman, Wayne Gregson, have met with the Councillors and senior staff to negotiate a satisfactory partnership between Council and the Trust. I thank Wayne and Ian for their great support in these complicated negotiations as I was overseas at the time and unable to be present.

Change always creates apprehension and anxiety with staff and volunteers, but despite these issues our staff have understood, accepted and come on board to make the necessary changes, that in the due course of time will grow our business and set us on the path of success and financial independence.

Craig Niemann, CEO of the City of Greater Bendigo and Council nominee on the Trust Board, has demonstrated great leadership and support for the Trust as he has rolled up his sleeves to support our CEO on numerous occasions to help with two major issues affecting the operation of the business, namely, the long standing issue of rising ground water under Bendigo and complex negotiations with PTV, Yarra Trams and the State Government for restoration contracts for trams.

Cr Lisa Ruffell, the other Council nominee on the Trust Board, and Craig have both brought first-hand knowledge to the Council table about our business resulting in the Councillors of the City of Greater Bendigo having an increased appreciation for and grasp of the complex issues facing the Trust and subsequently their resultant financial support, to enable the business to work toward a return to stand alone profitability.

All of our Board members have devoted many hours of thought, discussion and

expertise to guiding the organisation to find a way ahead to solve the difficult issues confronting the organisation. These directors bring a high level of diverse skills and attributes to the Board, including their areas of influence, which has resulted in a high level of governance for the organisation.

One of the recommendations of the consultants was to engage a staff member as a dedicated volunteer coordinator and internal restructuring has now occurred to make this happen. The value of our volunteers and the contribution they make cannot be overlooked as we take steps to achieve our goals. Last year over 14,600 hours of volunteer assistance was donated to our business. The contribution, if converted to a monetary figure based on \$25 per hour, has saved the Trust at least \$365,000.

In closing, I wish to take this opportunity to thank the Board Members and CEO for their cooperation and support and to acknowledge the wonderful staff and volunteers who help this business deliver excellence in service delivery that wins tourism awards. This last year and next year will see changes in our business that will challenge us all. I am very confident that the foundations for change and restructure that have been initiated in 2014/15 will achieve our corporate goals and aspirations.

Below Left:
Bendigo Tramways
officially launched the
Anzac Centenary Tram.
Pictured L to R:
Cliff Richards, President
of the Bendigo RSL,
David Wright,
Jos Duivenvoorden
and Lisa Chesters MP,
Federal Representative
for Bendigo.

Below Right:
Bendigo Tramways was
named Victoria's Heritage
and Cultural Tourism
Attraction of the Year.
Pictured L to R:
Wayne Gregson,
Jos Duivenvoorden,
Tom Seddon,
Evonne Oxenham
and Dianne Smith,
CEO of VTIC.



I wish to take this opportunity to thank the Board Members and CEO for their cooperation and support and to acknowledge the wonderful staff and volunteers who help this business deliver excellence in service delivery that wins tourism awards.



Tram No. 302 was yarn bombed by a local craft group. Photo by Elise Gow Photography.

FROM THE CHIEF EXECUTIVE OFFICER



Ian Hart,
CEO

I had the honour of joining The Bendigo Trust just prior to Christmas 2014 and the remainder of the 2014/15 financial year has in my eyes certainly been packed with enough drama, intrigue, thrill, frustration and fun to rival a Spielberg film.

If you cast your mind back to 2014, you will be aware of the imminent departure of the Trust's long serving Chair and CEO in Lloyd Cameron and Tom Seddon respectively and the report commissioned through RMCG consultants for Council and the Trust on the Trust's financial situation, its viability and opportunities for the future. I formally thank Tom for providing background on many issues prior to his departure and his obvious passion and care for the organisation and its people during his time as CEO.

The Council commissioned RMCG report has in many ways paved the way for reform and armed with it, along with a lot of advice from many people prior to and after accepting the role of CEO, I was very quickly able to review and respond to the RMCG report with my own report entitled '*Emerging from Darkness*' from which we have started developing a new plan to revive the overall

Trust business activities.

This title was no accident, as it became apparent very quickly to me that the Trust has been operating with great uncertainty. However, with the right support, coupled with the obvious enthusiasm of all those with an interest in the Trust, emerging from the dark cloud figuratively hanging over the Trust's future could be achieved and with a vision for a new era of prosperity.

Three key issues that needed addressing immediately were easy to identify. These were:

1. The future role of the Trust with the Discovery Science and Technology Centre.
2. A new partnership approach with the City of Greater Bendigo and accompanying funding agreement.
3. Groundwater management which threatens the existence of Central Deborah Gold Mine and the overall operations of the Trust.

Discovery

After much review, it was clearly evident that the costs to manage and maintain Discovery over and above its revenues from admissions and operating grants were significant and could not be sustained by the Trust. Although science education is a noble pursuit, it should not be the responsibility of what is essentially a heritage tourism business to underwrite science-based education programs.

The decision was therefore made by the Trust to return to its core product focus and notify the Committee of Management for Discovery that at the conclusion of the existing five year management agreement, which expired on 30 June 2015, the Trust would relinquish and would not be seeking any further management relationship with the Centre.

This was a very difficult interim period for all concerned, but we were pleased to see a revamped Committee for Discovery find a way to have the centre remain open in the new 2015/16 financial year and we were pleased to confirm that all staff and their entitlements transferred to the new Discovery Committee.

I only had a brief period of getting to know all the staff and volunteers at the Centre, however, during this time I was able to observe their obvious passion and commitment and I wish Acting Manager Kate Barnard and all associated staff best wishes for the future. I also must acknowledge Katherine Legge, Chair of the Discovery Committee of Management, for her very measured approach in the many discussions and ultimately handover of operations of the Centre from the Trust.

Council Funding Agreement

From the day I started at the Trust it was evident to me that Council was deeply invested in the Trust activities and had a real desire to see the assets under its control improve and prosper.

Council has accepted the invitation to come on a journey with the Trust toward revival and has demonstrated this commitment through both significantly increased operational and capital investment funding for the remainder of 2014/15 year and for the 2015/16 financial year.

The Trust has for many years only had capability in annual capex budgets to address major preventative maintenance and asset preservation projects. In 2015/16 additional funding in this area will assist the Trust in tackling much needed product innovation and customer experience project elements to

revitalise the tourism products as a driver for revenue growth.

For many years only limited funding was available to achieve product innovation, however, through capital investment and through the increased support from Council, several projects are now able to be undertaken to improve the tourism offer. These include:

- App development and iBeacon technology to enhance the Vintage Talking Tram experience which will include multiple language commentary options.
- Improvements to underground tour elements including gold, explosives and carbide lamp displays.
- Signage, branding and greater overall market visibility.

A major surface level upgrade at the mine including new gold panning and interactive, interpretative story-telling will be pursued during the coming months to make the value proposition at the mine even more compelling and enjoyable. A long term vision for asset renewal is now being completed to provide guidance to see this strategy through in the coming years.

This is an appropriate time to acknowledge the support structure put in place by Council to assist the Trust through the next period of change. Council appointed a 'go to person' in Ben Devanny to facilitate the many conversations for the Trust across all of Council departments, which has proven to be an enlightened approach. It has helped better communication flow, understanding from both sides and improved decision-making in a partnership approach. Although the Trust is a separate entity, it is now in many respects, treated as part of the family by Council, its Directors and staff in our many dealings.

I thank City of Greater Bendigo CEO and Board Member Craig Niemann, City Futures Director Stan Liacos, Ben Devanny, Kathryn MacKenzie, Glenn Harvey, Terry Karamaloudis and the many other senior Council staff and the Council in general, who have all supported and continue to support the objectives of the Trust as we prepare our new strategic platform.

Groundwater

If there is one issue that has had a debilitating, distracting and frustrating impact more than any other, it is the ongoing saga of the groundwater pumping issue.

The Trust has been paying more than \$100,000 annually to ensure the mine operations can continue. It is sad that perhaps

the majority of Bendigonians are still not aware that this is an issue for all of Bendigo. It is not the mine's water, but Bendigo's water and it is purely coincidental and ironic that the location of the Central Deborah Gold Mine is one of the lowest in Bendigo.

This simply means that discharge of water to the surface will occur at this and other low lying locations in Bendigo, hence the requirement for pumping to prevent discharge into Bendigo Creek and the environment of this water, which is high in arsenic, heavy metals and the unpleasant hydrogen sulphide odour which accompanies it.

In recent months there has been a Government led task force reviewing the potential solutions. At the time of preparing the annual report, it was pleasing to be able to report that an interim pumping regime to store water in the New Chum line of reef had been confirmed and announced by the State Government. This is a short term solution while more medium to long term solutions are reviewed and undergo feasibility testing.

Although it is still unclear what longer term of pumping at Central Deborah may be required, the State Government has approved funding for the Trust's pumping costs in the short term and I thank the government, through Water Minister Lisa Neville and Departmental officers from DELWP and other agencies, together with our local Members of Parliament Jacinta Allan (Member for Bendigo East) and Maree Edwards (Member for Bendigo

West) for their leadership and proactive approach to resolving this complex issue.

The financial and operational impediment to our tourism business cannot be overstated and achieving a long term satisfactory solution for the Trust and indeed for all of Bendigo remains a priority.

Financial Performance

The Trust currently remains in a vulnerable financial position with cash flow still a major issue for normal trading. Increased funding support from Council has been of great relief in terms of insulating us for overall operating expenses, however, a shortage of cash at critical times for procurement and normal trading remains an ongoing issue.

The annual result for 2014/15 shows an overall loss of approximately \$750,000, although this includes the extraordinary write-off of leasehold assets on the Trust's books related to Discovery. This is of course a non-cash impact.

The pleasing aspects of the financial results include admission revenue increasing along with contract revenue and current assets improving slightly against total liabilities.

The focus going forward will be on continuing to lift revenue and reduce costs to improve the overall business viability and improve cash flow for better normal trading practices. Strategies have now been formulated to deliver these aspirations.

Below Left:
Minister for Public Transport Jacinta Allan MP and Maree Edwards MP visited the Bendigo Tramways Depot & Workshop to farewell the third restored W-Class tram on its way back to Melbourne to join the iconic City Circle Fleet.

Below Right:
Central Deborah Gold Mine was featured on a new travel show called *Melbourne Weekender* which is hosted by football personality, Cameron Ling.



Focus for Future Operations

After a review of our tour schedule and trading hours, a new model of tourism operations will be put into place in October 2015, which will create further efficiencies and savings in the new 2015/16 financial year. Importantly, the new schedules will allow for a return to 30 minute tram scheduling across peak times of every day to improve the tourism offering which was a key finding in the RMCG report in 2014.

This review and ultimate changes to our operations, coupled with the removal of Discovery from the Trust's portfolio, resulted in some restructuring internally to achieve efficiencies and savings. I thank all staff for their understanding and openness through this difficult period.

A new strategic plan has been formulated that will drive effort for improved performance in all that we do and speaks to the need for improved community engagement. This important strategic aspect will be strengthened by a re-branding exercise so that the community not only understands the important role The Bendigo Trust plays for Bendigo, but also has an enhanced appreciation of its importance and has a genuine interest in increasing its support.

The recent tram study for Bendigo revealed the need to revitalise the tram product through establishing additional tram stops at both the Sacred Heart Cathedral and near the Golden Dragon Museum. If these new stops can be achieved in the next couple of years, it will go a long way towards the Vintage Talking Tram tour effectively being the glue to bond many major tourism attractions in Bendigo together into one unique offer, using the tram as the conduit via a hop-on, hop-off service.

We intend to be active in pushing this as an important strategy and encourage all Trust supporters to be advocates for these important reforms and innovations. Similarly, new marketing campaigns and products are underway or already on offer, including the new Anzac Centenary Tram in operation, a Crack the Code school holiday promotion and the popular Santa Tram ready to be re-launched, sponsored this year by Toyworld!

The Tramways Workshop provides a



valuable opportunity for restoration and maintenance of historic and vintage trams and at the time of preparing this report the third W Class City Circle fleet tram is in the workshop going through its transformation.

Discussions have been held recently to extend this project to include a further eight W8 class trams to be commissioned for complete restoration in the next four years which will provide valuable jobs, economic impact and revenue to assist the Trust. I thank PTV, Yarra Trams and the Victorian State Government, led by our local Member for Bendigo East and Transport Minister Jacinta Allan, for entrusting the Trust with this important project.

I would like to take this opportunity to thank all the Trust Board, Managers, staff and volunteers for their warm welcome to me from the day I started and the very visible support given to me by all as we work toward a brighter future. It is clearly evident that the Trust has a unique group of passionate people that contribute to its make-up and a desire to see it survive and prosper.

I hope that the Trust's annual report in one year's time will show real progress toward our objectives.

Above: Santa Tram 2014 was a huge success with more than 1,400 people enjoying the service.

After a review of our tour schedule and trading hours, a new model of tourism operations will be put into place in October 2015, which will create further efficiencies and savings in the new 2015/16 financial year.



Mine Experience Tour at Central Deborah Gold Mine.

CENTRAL DEBORAH GOLD MINE



Karl Penrose,
Central Deborah
Gold Mine Manager

Over 30,000 people explored Bendigo's golden heritage at Central Deborah Gold Mine throughout 2014/15. Our Nine Levels of Darkness tour, 228 metres underground, saw an increase in patronage of over 100% from last year.

Mine tours

As always, demand for our tour products continues to be strong. Patronage on these tours continues to come from a very wide demographic, from early education, through to seniors groups, from all over Australia and further afield.

Our mainstay tour products continue to be extremely popular with school groups and other education providers as well as the general public. There has also been an increased take up of specialty use of our underground workings for mine specific and emergency services training such as CFA and University groups providing geotechnical/geology courses.

Our Mine Experience tours continue to be the most attended of our products, with 27,572 visitors, while surface admissions and Underground Adventure tours each had 3,107 and 1,542 visitors respectively. Nine Levels of

Darkness tours have seen an increase of over 100% from last year, with 167 visitors.

Underground birthday parties have been a great success with 313 children enjoying our exciting and fun parties during the year.

Mine Surface

After several years of very intensive Capex projects, this year's focus was to catch up on some much needed maintenance on our historic structures and surface displays. This has included replacing gutters, unblocking drainage, painting and general repairs and maintenance to various items as well as further cleaning and removal of excess materials.

There have also been a couple of small projects take place in an effort to enhance our visitor experience. These included restoration to working order of our Berdan Pans and new displays in the interpretive museum.

To make our mine surface more interactive

for our visitors and to help bring the surface alive, we now operate our very popular Gold Pour Demonstrations throughout all school holidays and long weekends. In addition to this, we have surface guides rostered during the holidays to further engage our visitors and assist tours in running efficiently.

To improve the presentation of the surface, several garden beds have been installed through volunteer efforts and planted out with a variety of plants that were prevalent in the era that the Central Deborah operated in. Also to improve the appearance, tree removal has continued on an as required basis.

Early in the year an independent electrical inspection was carried out. Unfortunately, this identified that the main switchboard and sub-boards were no longer compliant with current standards. Over a period of several weeks all boards were replaced with modern equipment. This work also saw the curtailment of some other projects which have had to be pushed back to other appropriate times.

Underground

Several major projects were conducted throughout the year to ensure safety and compliance requirements were met.

The largest of these projects involved the installation of a substantial amount of underground support equipment to replace older equipment identified by our Geotech as reaching end of life. This work was concentrated mainly on Sub Level 3 as well as the old 44 Drive. The completion of these works means that our visitors will be able to experience these areas of the mine for many years to come.

Another area that was identified during the year as requiring attention was the internal underground phone system. After a thorough assessment, it was determined that the system was beyond economical repair and would need to be replaced. The system, in the main, has now been completely renewed, however, there are plans to add other line extensions to strategic points within the underground workings.

We have replaced the ladders between Level 9 and Level 10, conducted repairs to shaft timbering and extended the static line safety system from Level 6 to the surface.

Pumping System

We are currently pumping on average 1.5 Mega Litres per day and are maintaining the water level around 260 metres from the shaft collar or 14 metres below Level 10. The pumps

have easily kept up with the water inflow.

There have been system break-downs and pump failures which have been assessed and repaired accordingly. However, generally speaking, the system has operated reliably, especially after the last repairs which rectified some items which would have otherwise caused ongoing issues.

Work has continued between The Bendigo Trust, DEWLP, water and environmental authorities, the City and other stakeholders to find a sustainable solution to Bendigo's groundwater problem.

Staff and Volunteers

Ian Johnson and Joe Abela joined our team this year as Tour Guides. Both guides have done a fantastic job picking up the necessary skills to deliver our tours and this is evident by the fantastic feedback that both have received. Other staff members have also embraced the opportunity to enhance their skills by taking on new roles within the mine unit, which both increases the interest for those involved as well as improving efficiency and flexibility within the business.

Darryl Hopgood successfully completed his training and assessment to become a Winder Driver and is now happily winding people up and down the Central Deborah shaft.

Our volunteer archiving crew, Marianne Midelburg and Patrick Hannen, have continued the tedious task of processing through our collection.

To all our staff and volunteers, thank you once again for all the dedication and enthusiasm you bring to Central Deborah. Working with such a passionate and committed team certainly makes all challenges and jobs more enjoyable and rewarding for everyone, and you should all be very proud of your contributions, large or small, that help everything run smoothly.

2014/15 Awards and other happenings

- Awarded a Certificate of Excellence for consistently high ratings on TripAdvisor.
- Participated in Victorian Seniors Week and Accessibility Weekend.
- Hosted Deep and Meaningful: Readings down the mine, as part of the Bendigo Writers Festival.
- Held a community event to mark the 60th anniversary of the closure of Central Deborah Gold Mine.
- Participated in the Red Ribbon Rebellion Reenactment.

ONE OF THE BEST

★★★★★

What a ripper.
Bendigo
stand proud.
The Central
Deborah Gold
Mine tour is
brilliant. Great
value. Ian, our
guide for our
underground
tour was
fantastic.
I highly
recommend
this facility.

– *TripAdvisor
Review*



The Anzac Centenary Tram shares the story of Bendigo during WW1.

BENDIGO TRAMWAYS



Jos Duivenvoorden,
Bendigo Tramways
Manager

Significant highlights over the last 12 months include the completion of Bendigo Tramways Strategic Plan and the restoration and refurbishment of the Anzac Centenary Tram.

Tram tours, charters, tram museum and other services:

Vintage Talking Tram Tours: The Vintage Talking Tram tour is continuing as a well-patronised and steady business. Passenger numbers at just over 42,000 are largely in line with previous years. Almost 25% of those are "special tours", including the popular Blues Tram and Santa Tram.

We held an open day on December 7 2014 to celebrate the 42nd anniversary of the Vintage Talking Tram Tour as well as the 100th anniversaries of Trams No. 44 and No. 45. We provided the usual passenger trips at a cost of \$5 per person, resulting in over \$2,000 being raised.

Depot and Workshop Tours: Aside from some minor presentation improvements, tight finances have prevented us from making any significant improvements to our Depot and Workshop Tours. Attendances have been steady with revenue exceeding \$20,000 for the year.

Charters and Specials: The Blues Tram continues to be an unqualified success. Trams 610 and 369 have seen regular Blues events.

With great delight, visitors have enjoyed Blues music and light refreshments while traveling through the classic Bendigo streetscapes.

There have been consistent "specials" throughout the year. Enabling groups to book a private tram has proven to be a popular option and this segment continues to grow.

The 2014 Santa Tram was a huge success and even with additional tours it was completely booked out before services even started. 2015 will see further improvements and an even bigger schedule.

The NineSevenSix restaurant tram is taking a break and awaiting a new operator.

Bendigo Tramways Strategic Plan:

The Bendigo Tramways Strategic Plan was completed by Urban Enterprise consultants and adopted by the Board in May 2015. The Strategic Plan, jointly funded by the State Government, Regional Development Victoria and The Bendigo Trust has analysed and assessed future option for the Tramways. It suggests that extending track options and

utilising the trams for Public Transport is a long way off, if ever, but it has identified clear opportunities in improving tourism connectivity by creating an additional two tram stops and fixing traffic issues. The two additional tram stops would serve the Aspire Precinct (Cathedral) and the Golden Dragon Museum. It also recommends focussing on original Bendigo trams and phasing out the W Class trams from our Vintage Talking Tram service. A number of product development and marketing opportunities were also identified.

Bendigo's Operating Tram Fleet

The operating tram fleet is being maintained at 14 trams. Major maintenance, particularly wheel replacement or profiling is required on several trams. Implementation of the multi-year program to replace worn wheels is still on hold. The strategy to move to trams that don't require a conductor (to facilitate staffing) is slowly being pursued with the restoration of Tram No. 7. Lack of finance and manpower to carry out significant works indicates this will be a multi-year project.

Collection Management

Restoration and refurbishing of Tram No. 7 continued with capital funding approved by the Board in 2014/15. The extent of available funding for refurbishing No. 7 in 2015/16 indicates it is likely to be a four or five year program. Once completed it will be part of the operating fleet.

A re-shuffle of Bendigo's original trams at the Gasworks has enabled the storage of No. 2 and No. 20 undercover in the shed preventing further degrading in the weather. Open storage of trams (No's 6, 12, 122, 456 and 370) at the Gasworks is continuing to be an issue as the weather is causing significant deterioration. Ideally they should be under cover or at least be under tarpaulins.

Better organisation and utilisation of the space has facilitated the storage of three R Class trams from the Miller group which will be restored over the next three years. Three W Class trams acquired from PTV are still waiting for stripping before the coach bodies are sold. The current Rolling Stock Register provides a list of current trams owned and operated by Bendigo Tramways.

Network assets

A track audit by Transport Safety Victoria – the first in the Trust's 42 years of operations – found significant issues with the condition

of the tracks. A number of Improvement Notices have been issued which will need to be addressed over the next three years. One major track job carried out over the last year was the relaying of tracks at the Tyson's Reef curve. Major maintenance is continuing to be funded through our agreement with the City of Greater Bendigo. No significant works were necessary for our overhead network.

Heritage Workshop

Revenue for minor works was well above budget with major jobs from the Miller Group (Tram No. 2050) and MIRVAC (Tram No. 1995). The W Class project had its frustrations with works deferred by more than six months on Tram No. 957 seeing its completion only in late May. Ongoing issues with the new W8 standard specifications and work instructions continues to make this very important project a particular challenge. However, the completion of Tram No. 957 and acceptance of quotes for Phase 5–8 for the W8 Class Tram No. 1010 as well as other client work already guarantees us a full workshop well into 2016. Negotiations are on-going for the re-building of a further eight W Class trams over the next four years with contracts hopefully signed later in 2015.

Depot Improvements

We continue to improve the efficiency, safety and general operation of the workshop. The addition of new storage racking as well as investment in new equipment is already providing handsome returns in greater efficiency and productivity.

Staff and Volunteers

The structural change in staffing has been ongoing. New staff appointments have substantially improved our capability profile with greater emphasis on welding and metalwork that is needed for the W8 Class works. New volunteers continue to make a significant contribution, particularly to works on our own trams. The tram service itself is also continuing to use a number of volunteers which helps to control costs.

Organisational Development

We are pursuing continuous improvements in our systems and procedures. Over the last year clarification of cost centres has improved project management, new investment in equipment and associated staff training is improving efficiencies and on-going training of staff has improved our capabilities.

A MUST DO ACTIVITY IN BENDIGO



Great way to see the city, the staff couldn't have been more helpful: from the man we purchased our tickets from, to the tram driver, to the conductor on the tram, to the gentlemen in the Tram Depot. This brings you to every must-see attraction in Bendigo.

– *TripAdvisor Review*



Discovery's Lab offers groups the opportunity to engage in interactive science experiments using real lab equipment.

DISCOVERY SCIENCE & TECHNOLOGY CENTRE

**FUN FUN
FUN!**

★★★★★

I took my
two teenage
grandsons
here and
we all had a
fantastic time.
Everything
is hands-on
so you can
experience so
many things
from science!

– *TripAdvisor
Review*

Throughout 2014/15 Discovery continued its mission to inspire scientific curiosity by delivering on a number of programs and some very successful events. Despite significant financial challenges, the Centre was able to slightly improve on its admissions year-on-year, a great result during a tough time.

School holiday fun

Discovery continued to deliver on its promise of new science and planetarium shows each school holidays, with the following shows presented during the year:

- **Spring 2014:** Kooky Contraptions Science Show and Curiosity – A roving laboratory on Mars Planetarium Show.
- **Summer 2014:** The Electrifying Science Show and the Hubble Space Telescope Planetarium Show.
- **Autumn 2015:** The Fantastic Light Science Show and the Signatures in Space Planetarium Show.
- **Winter 2015:** Away from the Shadows Science Show and the Into the Dark Planetarium Show.

These shows were also complimented with some fantastic hands-on workshops in order to give children a chance to learn more about the subject matter by seeing the scientific concepts in action. This program was often delivered by dedicated volunteers who patiently worked with the children and offered a fun learning experience for each child.

Events

Given limited staffing, the team at Discovery did a great job putting together a number of events for the year.

- **National Science Week:** The Teacup Tumble team delivered a special show both at the Centre and at several schools called: Dimensional – A tale of geometry and circus.

- **Writers' Festival:** Discovery hosted John Pickrell, editor of Australian Geographic and author of the new book *Flying Dinosaurs* in a talk called *The truth about Dinosaurs*.
- **Halloween:** Discovery's 19th Halloween Birthday Party was once again a huge success, with the centre bulging with witches, zombies, grim reapers and other unsavoury characters for an evening of hair-raising fun.
- **Science Café:** The Discovery Lab was converted into a Science Café in March and the *Science of Chocolate* was deliciously unravelled during a relaxing evening of food, wine and chocolate flower making. This CSIRO sponsored event was quickly sold out and received rave reviews.
- **Education Week:** The Discovery team helped almost 200 students from local schools crack the code with maths by presenting two fascinating hands-on workshops as part of the Education Week celebrations. Students used balloons to build cubes, pyramids and even icosahedrons. This event was funded by the Victorian Department of Education and Training.

A fond farewell

Unfortunately, these achievements were, in the end, over-shadowed when the Trust board regretfully had to make the decision not to renew its management agreement with the Centre.

Due to the ongoing issue of the Centre's expenses significantly outweighing income – and with no other substantial sources of income to help carry these costs – the Trust Board felt compelled to hand back the reins to the Discovery Committee of Management at the end of the financial year.

This decision was not taken lightly, but the Trust was simply not in the position to underwrite Discovery's excess expenses, especially given other financial pressures from other parts of our operations. Everyone within the Trust was heartened by the fantastic public response to the announcement and as a result the Centre has been able to remain open.

Both manager of Discovery, David Holmes and acting manager, Kate Barnard (who took over in December as David left on paternity leave), and the dedicated team of part time staff and casuals at Discovery are to be congratulated on their efforts during the year and we wish them all the very best with their future plans for the centre.

Below Left:
Discovery's Curious Kids program continued to inspire children aged 3-5 years to understand basic scientific principles. Children explored different principles through 'story time' and a Lab session.

Below Right:
Discovery's Halloween Birthday Party attracted record crowds this year. Children dressed up in their favourite costumes to explore the Centre, had their faces painted and created blood, bruises and black teeth in Dr. Frankenstein's Lab. Bendigo Weekly photo.



Due to the ongoing issue of the Centre's expenses significantly outweighing income, the Trust Board felt compelled to hand back the reins to the Discovery Committee of Management at the end of the financial year.



The Bendigo Joss House Temple.

BENDIGO JOSS HOUSE TEMPLE



**Darren Wright,
Bendigo Joss House
Temple Supervisor**

Many of our visitors are amazed to learn that we are the only original temple remaining in regional Victoria, let alone still an active place of worship. For a building built in 1870 to still be fulfilling its originally intended purpose is impressive.

Our visitors are looking for an authentic Chinese experience and want to learn the fascinating history of a people that were once a quarter of the population of this area.

Our visitors have come from the length and breadth of Australia, New Zealand, the Philippines, England, Ireland, Scotland, Wales, the United States, Africa, Italy, France, India, the Netherlands, Russia, Vietnam and even smaller and unlikely places like Mauritius, Malta and Gibraltar. Some were worshippers, the majority, curious history-seekers. We have also had many academics and authors visit us in the past year trying to gain a fundamental understanding of the Chinese presence here in Bendigo and further afield.

The annual Lantern Festival attracted substantial numbers again this year and it was another case of “standing room only” with there being in excess of 300 attending the festivities which were kindly provided by the

Bendigo Chinese Association.

Easter continued to attract many from far and wide, all eager to experience what has come to be one of Australia's oldest cultural festivals and with a distinct Chinese flavour.

We experienced the usual tailing off of visitation during the cold Winter months coupled with tram track reconstruction at Tyson's Reef, meaning trams were unable to access the Joss House terminus. This provided the ideal time to undertake some long overdue restoration work at the Joss House over the course of three weeks. The City of Greater Bendigo allocated funds for the removal of 45 years worth of paint from the walls of the main temple in order to allay problems with rising damp. We were delighted to find so much of the original finish still being extant and the temple interior returning to a semblance of the original appearance. It is hoped that funds will be forthcoming in the immediate future to do

the same with the Ancestral Hall and ultimately the exterior brickwork, the bulk of which was not originally painted.

The Joss House featured in an article about temples within Victoria as part of a book in honour of Dennis O'Hoy which was launched with great success in July. The book titled '*An Angel By The Water*' was edited by Mike Butcher and also features an article by yours truly along with many other articles by friends and colleagues from over the years.

It is with great sadness that we farewell our volunteer, Pat Clarkson, who has been with us for some 20 years and has through ill-health, been forced to leave. We owe her an immense debt of gratitude for the many years of enthusiastic endeavor and generosity in terms of both time and effort in helping us to keep the doors open and share with visitors the history of this cultural icon.

2015 is a year of great change for the Trust, we bid farewell to our CEO, Tom Seddon, and welcome new CEO, Ian Hart. Survival depends

on change and challenges, with every facet of The Bendigo Trust experiencing changes to better help it continue to bring the history of Bendigo to life for all to enjoy for many years to come.

Below: We hosted record numbers at the 2015 Lantern Festival. Bendigo Advertiser photograph.



We bid a fond farewell to one of our volunteers, Pat Clarkson, who has been with us for some 20 years. We owe her an immense debt of gratitude for the many years she has dedicated to helping us share the history of this cultural icon with visitors.



BENDIGO GAS WORKS

The Bendigo Gas Company was formed in 1859, operating from 1860 until its closure in 1973. Today it is a valuable static reminder of a past technology, but also serves as a second depot for the Bendigo Tramways, where numerous trams from the Bendigo fleet are stored.



VICTORIA HILL

Gold was first discovered on Victoria Hill in 1854. By 1861 it had yielded at least 1,200,000oz in gold, worth over \$2bn at current prices. Today, Victoria Hill Reserve is a heritage-listed site that offers characteristic examples of important forms of gold mining. The site includes interpretation and is open daily for self-guided tours. Large groups book guided tours from time-to-time, but essentially The Bendigo Trust's role is site inspection and maintenance.



Central Deborah Gold Mine Nine Levels of Darkness Tour.

SALES AND MARKETING



Evonne Oxenham,
Sales and Marketing
Manager

As expected 2014/15 was a year of significant change as we welcomed our new CEO, Ian Hart, in December and planned our response to the council-funded review of the Trust, which called for some significant alterations to our operations, as well as recommending improved funding arrangements from the City of Greater Bendigo.

Sales and marketing

From a marketing perspective, the review presented a great opportunity to start planning for many promotional and product development projects that have been on our radar for years, but that we were never able to achieve due to funding limitations. These include signage upgrades, mine surface interpretation, diversification of the tram product through the use of new technology and many more. Planning is now well underway for many of these and some will be completed in the 2015/16 year, while the larger projects will take a couple of years to complete.

Farewell to Discovery

On a more sombre note, the Trust made the

difficult decision to end its management agreement with Discovery and handed back the reins to the Discovery Committee of Management in mid-July. This was a stressful time for all the staff at the Trust who have worked closely with the Discovery team. It was pleasing to see the strong public support for Discovery which resulted in the Centre being able to stay open and we wish them the very best for the future.

Admissions and retail

Throughout the year, cash flow issues continued to hamper our sales and marketing activities, especially in the retail area due to delayed payment of suppliers and inability to pay timeously for stock upfront. This

made it difficult to keep the shelves stocked adequately and negatively impacted on overall retail sales for the year.

All four sites missed their retail sales budgets for the year, although the tramways only missed it by 1%. The mine missed their Food and Beverage (F&B) budget by 8.5%, however, the tramways were able to overshoot their F&B target by 30.9% which more than covered the shortfall at the mine.

All sites, except Discovery, reached their admissions target for the year. These results are a credit to all our tram drivers/conductors, mine guides and front of house staff who provide customers with a professional and friendly experience that they then go and rave about on TripAdvisor and no doubt to all their friends and family.

Our staff often go over and above the call of duty, as happened in January 2015 when a flash flood left our customers stranded at various points along the tracks. A number of staff took their own cars to collect these customers and returned them to their cars/hotels/train station. A fantastic demonstration of the enthusiasm and passion that all our staff have for customer service.

Not to forget all those behind the scenes

who organise everything so that the customer-facing staff can focus on providing great customer service, safe in the knowledge that everything they need is in place. Particular mention goes to Anita Bagley who is a past master at pulling rabbits (or rather trams) out of her hat at the 11th hour almost every time!

Anzac Centenary Tram

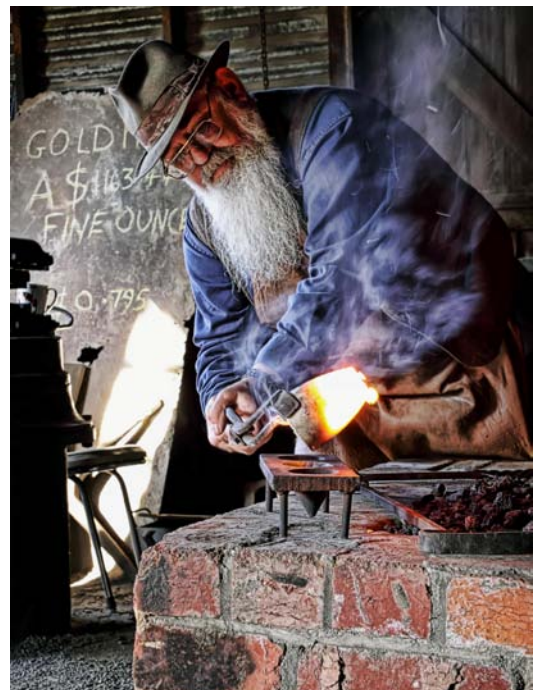
A highlight for the year was the launch of the Anzac Centenary Tram, a project that was funded by the Federal Government through the Anzac Centenary Local Grants Program. This 100 year old tram was not only expertly restored by the team at the Bendigo Tramways Depot and Workshop, but was also fitted out with emotive imagery and stories of locals who were involved in WW1.

Working closely with the Bendigo Soldiers Memorial Museum a special tram commentary was developed for the tram which tells the story of many individuals and families that made huge sacrifices in order to serve their country in the most deadly war in history.

This new product has been very well-received. It is also a great additional offering for our customers as it is included in the Talking Tram two day ticket.

Below Left:
The Bendigo Tramways team worked tirelessly on the restoration and refurbishment of the Anzac Centenary Tram.

Below Right:
Gold Pour Demonstrations were re-introduced to Central Deborah Gold Mine's school holiday programs and have been a hit with visitors.



A highlight for the year was the launch of the Anzac Centenary Tram, a project that was funded by the Federal Government through the Anzac Centenary Local Grants Program.



Bendigo Tramways Depot & Workshop Tour.

FINANCE REPORT



Tennille Baker,
Chief Financial Officer

2014/15 saw a growth of 4.2% in admissions and 293% in contract revenue, however The Bendigo Trust still recorded an overall trading loss of \$750k.

The 2014/15 year finished with an overall trading loss of \$750K. However \$590K was due to the write off of Discovery Assets on 30 June 2015, as they are being transferred to Discovery Museum Inc. following the separation from the Trust. The SPP and William Buckland grants were removed from the balance sheet due to this income either needing to be returned or passed along to Discovery Inc. With Discovery as a business unit within the Trust's accounts, this financial year saw a total loss of \$790K.

Removing the Discovery non-recoverable leasehold asset write offs, the Trust would have made a loss of \$160K for the year. However, this includes an additional \$400k from Council in the form of an additional \$200K operational subsidy as well as a further \$200K being converted from capex, demonstrating the need for the additional funds being provided from the City of Greater Bendigo for the 2015/2016 financial year.

There are several reasons for the poor financial result this year, with the ongoing

mine water pumping, delays in the Yarra Trams project and many additional labour hours in several areas of the business that predominantly related to workshop projects, tram fleet maintenance and general tourism operations, being the major contributing factors.

Some general statistics are:

- Admissions growth of 4.2%
- Contract revenue growth 293%
- Direct expenditure grew by 176%
- Non-direct expenses grew by 1%
- Receivables grew 74%
- Payables grew 18%
- Leave provision reduced 4.4%
- Long term borrowings reduced 50%

It is hoped that a satisfactory conclusion to the water pumping can be found in the new financial year and with a return to focus purely on our core tourism products, greater accountability and better planning and processes for future tram contracts and operations that a return to surplus can be achieved and then maintained.

ACKNOWLEDGEMENTS

Patrons: The Hon. Alex Chernov AC QC,
Governor of Victoria The Hon. Tim Fischer AC

Auditors: AFS Chartered Accountants

Bankers: Bendigo Bank

Solicitors: Beck Legal

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

- > Abbott Supplies
- > ABC Radio Bendigo
- > Jacinta Allan MP
- > Art Series Hotel – Schaller Studio
- > Association of Tourist Railways (VIC)
- > ASTEN
- > Bendigo Advertiser
- > Bendigo Bank
- > Bendigo Business Council
- > Bendigo Historical Society
- > Bendigo Media Centre
- > Bendigo Modern Press
- > Bendigo Tourism
- > Bendigo Volunteer Resource Centre
- > City of Greater Bendigo
- > John Anstey, Coliban Water
- > COTMA
- > Department of Education & Early Childhood Development (VIC)
- > Department of State Development, Business & Innovation (VIC)
- > Damian Drum MLC
- > East End Engineering
- > Maree Edwards MP
- > The Exchange
- > Scott Pigdon, EPA Victoria
- > Lisa Chesters MP
- > Jason Tavener, Good One Graphic Design
- > Scott Ridges, Goulburn Murray Water
- > Karl Johnson, San Francisco MUNI
- > Heritage Victoria
- > Hume & Iser
- > Integrating Technology
- > La Trobe University
- > Launceston Tramway Museum
- > Jimmy Possum
- > Melbourne Tramcar Preservation Assn
- > Miller Construction Group
- > Minerva Heritage

- > Mark Zanetic, MIRVAC Construction
- > Josh Morrell, Fosterville Gold Mine
- > Brad Murnane, Tourist and Heritage Railways - PTV
- > National Trust (VIC)
- > Phil Dyson, North Central Catchment Management Authority
- > Dennis O'Hoy
- > Perth Electric Tramway Society
- > Adrian Ponton, Registrar Tourist & Heritage Railways
- > Powercor
- > Public Transport Victoria
- > Questacon
- > Rail Tram and Bus Union
- > Regional Development Victoria
- > Safety Action Pty Ltd
- > Studio Ink
- > Bob Styles, RJ Styles & Associates
- > Sydney Tramway Museum
- > Howard Clarke OAM
- > Greg Sutherland
- > Di Smith, Victorian Tourism Industry Council
- > Thrive Web Design
- > Tourism Victoria
- > Unity Mining
- > Urban Enterprise
- > Victorian WorkCover Authority
- > Yarra Trams
- > VECCI
- > Mal Kersting, VicRoads

Life Members

Robert Aulsebrook	Gordon McKern OAM
Helen Bruinier	Dennis O'Hoy
Barry Callaway	Walter Straede
Earl Ewers	Phyllis Toy
Andrew Hall	Les Twining
Graham Jordon	Colin Withington
James Lerk	

Honorary Life Members

Dennis Bell	Jill Moorhead
Lloyd Cameron	Neil Murray
Keith Kings	Michael Lowther
James Lerk	Michael McGowan
Dennis O'Hoy	John Penhall
Myra Potter	David Wright

TRUST STAFF AND VOLUNTEERS

The Bendigo Trust Office

Chief Executive Officer

Thomas Seddon: B. Arts, JurisDoctor
(resigned November 2014)

Ian Hart: M. Bus Admin, GAIC D
(from December 2014)

Executive Assistant to the CEO and Human Resources Manager

Faye Gair: Dip Mgmt/HR

Chief Financial Officer

Tennille Baker: B. Comm, CPA

Finance Officers

Marika Power Bianca Broom

Sales and Marketing Manager

Evonne Oxenham: B. Journalism

Marketing Officer

Tynille Thurlow: B. Marketing

Retail Manager

Andrea Stringer

Bookings Officer

Kathie Knight

Visitor Services Supervisor

Darcy Van Dillen

Visitor Services Officers

Catherine Aylett	Leanne Buddrick
Denis Fitzgerald	Lynne Jansen
Fiona Liebert	Belinda McEniry
Robyn Wilson	

Bendigo Joss House Temple

Supervisor

Darren Wright

Bendigo Tramways

Manager

Jos Duivenvoorden:
Dip ASc
Grad Dip Recreation Management
Grad Dip Business Admin

Team Leader – Workshop

Luke Jenkins: Dip. Management

Team Leader – Engineering & Network Assets

Michael Campbell

Team Leader – Tram Services

Anita Bagley: Dip. Management

Engineer

Richard Clarke

Depot and Workshop Staff

Ryan Allen	Julie Cain
Anthony Cliff	Simon Jenkins
Stephen Kirkpatrick	Michael Lowther
Shaun Naughton	Maree O'Brien
Emily Penhall	John Penhall
John Ritchie	Anthony Rooke
Scott Richardson	Daniel Rutherford
Damien Steel	George Stirling
Steve Sullivan	Paul Summersgill
Wayne Taylor	Ross Turton
Leon Waddington	Les Woodfield



Central Deborah Gold Mine

Manager

Karl Penrose: Dip. Management

Mine Maintenance and Tour Staff

Joseph Abela	Ken Bice
Zoe Boyd	Tim Carr
Elaine Douglas	Peter Dumont
Norm Harris	Georg Hein
Tamasin Hein	Daryl Hopgood
Simon Jenkins	Laurie Jensen
Ian Johnson	John McNamara
Joshua Morrell	Dale Sampson
John Turner	

Discovery Science & Technology Centre

Manager

David Holmes: B. Science, Grad Dip Ed

Acting/Assistant Manager

Kate Barnard:
Bsc (hons), Dip Arts, Grad Dip Sci Comm

Education Officer

Philip Spark: B. Science, Dip Ed, M Sc, M Ed

Planetarium Officer

Craig Kendal

Discovery Staff

Teagan Brown	Robyn Buttrey
Andrew Carden	Ray Cooper
Kaylee Fisher	Natasha Jayasekera
Julie MacDonald	James McGregor
Meg McKenzie	Clare O'Bree
Wayne Paynter	James Pemberton
Jessica Stone	

Volunteers

Ken Andison
Russell Birch
Geoff Brown
Bill Chan
Stan Cue
Rob Derby
Rod Gill
Max Gaynor
Joseph Gould
Andrew Howlett AFSM
Paul Mayer
Marianne Midelburg
Robbie Newell
Dennis O'Hoy
David Robinson
Lloyd Roulston
Ian Stimpson
Susan Tate
Kurt Walder
John Whiting

John Biele
Terry Boardman
Peter Butler
Pat Clarkson
Len Cutting
Mikelle Dingwall
Patrick Hannen
Ian Hardie
Keith Hopkins
Peter Kilpatrick
Michael McGowan
Len Millar
Michael O'Brien
Don Roach
Greg Robinson
Frank Steele
Steve Sullivan
Darrell Tonkin
John Wells
Lester Young

People listed in *italics* have been made Honorary Members of The Bendigo Trust for 2014/15 in recognition of 100 or more hours voluntary service this past year. Thank you to our Honorary Members and all of our volunteers.

The Bendigo Trust Foundation Board

Lloyd Cameron	Margot Falconer
Wayne Gregson	Anne Henshall
Ken Richmond (Chair)	Helen Yorston

Discovery Advisory Board

Dr John Wells	Dr Bruce Johnson
Dr Sabine Wilkins	Dr Katherine Legge
Dr Annie Duncan	Dr Peter Searle
Clive Walker (Chair)	

Below Left:
Our Visitor Services staff enjoyed a familiarisation tour of other local tourist attractions which included Discovery, Bendigo Pottery, the Golden Dragon Museum and the Great Stupa.

Below Right:
Bendigo Tramways resident cat, Birney, keeps a watchful eye over the trams housed at the Depot & Workshop.



THE BOARD OF DIRECTORS



Mr David Wright

Director/Chairman (Current term expires 2017). Board member since 1996 (Council Nominee 1996-2007). Qualifications: Diploma of Commerce, Certified Practising Accountant (CPA), Municipal Clerk. David is now retired and holds a number of voluntary positions in community groups within our community. Prior to his retirement he spent 50 years in Local Government. He

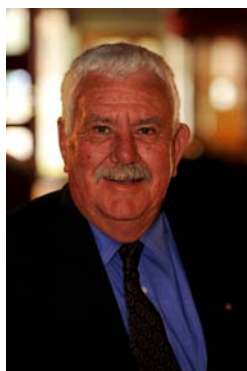
holds a number of life memberships granted by community groups including The Bendigo Trust.



Mr Noel Hobley

Director (Board member from 2012, until resigning July 2014). Apart from gaining a Certificate in Dairy Farm Management and a managing a dairy farm, Noel has spent most of his life working in the newspaper industry. Noel worked his way through production and computer systems, advertising sales to General Manager in the local newspaper

industry. Qualifications: Advanced Certificate in Information Technology, Certificate III in Small Business Management, MYOB Accounting and an unfinished MBA at Latrobe Uni. Noel is a Past President of the Rotary Club of Bendigo.



Mr Lloyd Cameron

Director (Board member from February 2003 until retiring November 2014). Qualifications: Electrical Engineer. Retired Chairman Central Victoria Area Consultative Committee. Past President, Castlemaine Rotary. Retired as director of BRIT 2012. Lloyd served as Chairman of The Bendigo Trust from February 2005 to June 2014.



Mr Michael McGowan

Director (Current term expires 2016). Board member since October 2007. Qualifications: Dip General Studies, Dip Ed, Cert IV Workplace Trainer and Assessor, Cert of Competency Tram Driver. Volunteer Conductor, Driver, Traffic Officer, Driver Examiner, Roster/Timetabling Clerk, Website Designer/Author and Tramways Consultant to Bendigo Tramways since 1972. 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.



Mr Wayne Gregson

Director/Deputy Chairman (Current term expires 2017). 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 2004-2008. 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. Past president and present Board member Rotary Club of Bendigo Sandhurst.



Mr Craig Niemann

Director (Council Nominee). Board Member since 2011. Craig joined the City of Greater Bendigo as a Director in 2005 and was appointed CEO in October 2007. He has more than 30 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 Lisa Ruffell

Director (Council Nominee). Board member since April 2014. Cr Lisa Ruffell has been a Councillor with the City of Greater Bendigo since 2008. In 2012 Cr Ruffell was elected to represent Whipstick Ward. Cr Ruffell served as Mayor in 2012/2013. Along with her family, Cr Ruffell owns and operates Ruffell Family Jewellers. Cr Ruffell was awarded the 2000 Australian

Federation of Business and Professional Women Incorporated (BPW) Bendigo Business Woman of the Year and was a finalist in the 2000 BPW Victorian Business Woman of the Year Awards. Cr Ruffell was instrumental in organising five 'Women Showing the Way' forums.



Ian Hart

Chief Executive Officer since December 2014. Ian joined the Trust after a long career in the thoroughbred horse racing industry, which included being Chief Executive of Thoroughbred Racing SA and more recently the Chief Executive of the Bendigo Jockey Club. Qualifications: Master of Business Administration (MBA) majoring in Sport

Management, Graduate and Member of the Australian Institute of Company Directors (GAICD) Diploma program. Ian currently serves as a Board member and Deputy Chair of the Community Foundation for Central Victoria; Board member of the Bendigo Region YMCA and is a member of the Committee of Management of the not for profit Star Cinema.



Mr Clive Walker

Director/Chairman – Finance and Audit Committee (Current term expires 2015). Board member since 2003. Qualifications: Fellow, CPA Australia (FCPA), Diploma of Business Studies (Accounting). Over 40 years experience in corporate accounting and finance, including 30 years service in Senior finance roles at Bendigo Bank, retiring 30 June, 2013.

Member of other community-based committees and former Councillor, Bendigo Branch, CPA Australia.



Mr Thomas Seddon (ex officio)

Chief Executive Officer from June 2005 to November 2014. Qualifications: BA (The Ohio State University), JurisDoctor (Cincinnati). 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), Rotary Club of Bendigo 2013/14 President and past Chairman of the Central Victorian Community Foundation.



Mrs Helen Yorston

Director/ Company Secretary (Current term expires 2017). Board member since 2005. Manager of Bendigo Volunteer Resource Centre, Treasurer and longest standing member of Victorian Volunteer Resource Centres' Network, Secretary of Bendigo Volunteer Managers and Leaders Network, Secretary and Public Officer of Loddon Mallee

Interchange Inc, Vice 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.



FINANCIALS

THE BENDIGO TRUST

ABN: 39 005 014 175

**Financial Statements
for the year ended 30 June 2015**

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40	Independent Audit Report

DIRECTORS' REPORT

Your Directors present their report of The Bendigo Trust for the financial year ended 30 June 2015.

Name	Position	Meetings Attended
Mr Lloyd Cameron (retired Nov 2014)	Director/Chairman	5/7
Mr Wayne Gregson	Director/Deputy Chairman	14/15
Mr Noel Hobley (resigned 22 July 2014)	Director	1/1
Mr Michael McGowan	Director	15/15
Mr Craig Niemann	Director	15/15
Cr Lisa Ruffell	Director	9/15
Mr Clive Walker	Director/Chairman:Audit Committee	10/15
Mr David Wright	Director/Deputy Chair/Chairman	14/15
Mrs Helen Yorston	Director/Company Secretary	10/15

Principal Activities

The principal activities of the Trust during the financial year were tourist operations, development and maintenance of heritage assets, restoration of heritage trams and education.

Operating result

The net result of The Bendigo Trust is:

30 June 2015	30 June 2014
(597,368)	78,789

Significant changes in state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review, with the exception of the ceasement of the management agreement with the Discovery Science & Technology Centre. The termination of this agreement subsequent to year end, resulted in The Bendigo Trust discontinuing operations of the Discovery Science & Technology Centre on 12 July 2015. An impairment loss of \$563,783 was incurred at 30 June 2015 as the consideration for the non-current assets held for transfer and liabilities associated with the non-current assets held for transfer, is nil.

After balance date events

In July 2015 the Management Agreement between The Bendigo Trust and the Discovery Science & Technology Centre was terminated. The Discovery Science and Technology Centre has since appointed a Board of Management and will continue operations as a separate legal entity.

Directors' benefits

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; and
- A fixed salary as a full-time employee of the Company or of a related corporation, by reason of a contract made by the company or a related company corporation with the director or with a firm of which they are a member or with an company in which they have a substantial financial interest.

Indemnification and insurance of Directors and Officers

The Bendigo Trust has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings, or
- a fixed salary as a full-time employee of the Company or of a related corporation, by reason of a contract made by the Company or a related company corporation with the Director or with a firm of which they are a member or with any company in which they have a substantial financial interest.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the Contract of Insurance. The Company has not provided any insurance for an auditor of the Company.

Proceedings on Behalf of the Company

No person has applied for Leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's Independence Declaration for the year ended 30 June 2015 has been received and can be found on page 4 of the financial reports.

The Directors' Report is signed in accordance with a resolution of the Board of Directors.



David Wright
Chairperson
The Bendigo Trust



Wayne Gregson
Director
The Bendigo Trust

Dated this 27th day of October 2015

AUDITOR'S DECLARATION



Lead auditor's independence declaration under section 60.40 of the *Australian Charities and Not for Profits Commission Act 2012* to the directors of The Bendigo Trust

I declare that to the best of my knowledge and belief, during the financial year ended 30 June 2015 there has been no contraventions of:

- the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated this 29th day of October 2015

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

Liability limited by a scheme approved under Professional Standards Legislation. ABN: 51 061 795 337.

P: (03) 5443 0344 | F: (03) 5443 5304 | 61-65 Bull St./PO Box 454 Bendigo Vic. 3552 | afs@afsbendigo.com.au | www.afsbendigo.com.au

TAXATION • AUDIT • BUSINESS SERVICES • FINANCIAL PLANNING

FINANCIAL STATEMENTS

The Bendigo Trust - ABN 39 005 014 175

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Revenue			
Revenue	3	3,617,430	2,953,289
Expenses			
Employee expenses	4	(2,018,848)	(1,814,991)
Cost of sales and services	4	(701,966)	(300,694)
Projects	4	(160,922)	(80,284)
Other expenses	4	(672,424)	(636,685)
Interest	4	(5,341)	(6,867)
Bad debts	4	-	(543)
Depreciation	4	(143,445)	(161,225)
Legal fees	4	(50)	(1,588)
Audit fees	4	(8,945)	(6,105)
Deficit before income tax		(94,511)	(55,693)
Income tax expense		-	-
Deficit from continuing operations		(94,511)	(55,693)
Surplus/(deficit) from discontinuing operations	2(i)	(647,657)	134,482
Surplus/(deficit) attributable to members of the entity		(742,168)	78,789
Other comprehensive income		144,800	-
Total comprehensive income attributable to members of the entity		(597,368)	78,789

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
Current Assets			
Cash and cash equivalents	5	207,386	176,850
Trade and other receivables	6	242,678	139,715
Inventory	7	118,768	120,329
Non-current assets held for sale	2	-	-
Total Current Assets		568,832	436,894
Non-Current Assets			
Property, plant and equipment	8	1,955,816	2,733,054
Total Non-Current Assets		1,955,816	2,733,054
TOTAL ASSETS		2,524,648	3,169,948
LIABILITIES			
Current Liabilities			
Trade and other payables	9	520,982	366,308
Provisions	10	204,772	202,030
Borrowings	11	125,079	86,714
Liabilities associated with non-current assets held for sale	2	-	-
Total Current Liabilities		850,833	655,052
Non-Current Liabilities			
Provisions	10	52,243	91,156
Borrowings	11	60,000	120,000
Total Non-Current Liabilities		112,243	211,156
TOTAL LIABILITIES		963,076	866,208
NET ASSETS		1,561,572	2,303,740
EQUITY			
Retained earnings		1,461,572	2,058,940
The Bendigo Trust Foundation reserve		100,000	100,000
Asset revaluation reserve		-	144,800
TOTAL EQUITY		1,561,572	2,303,740

The above statements should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

The Bendigo Trust - ABN 39 005 014 175

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 30 JUNE 2015

	Notes	Retained Earnings \$	The Bendigo Trust Foundation \$	Revaluation Surplus \$	Total \$
Balance at 1 July 2013		2,080,151	-	144,800	2,224,951
Comprehensive income					
Surplus for the year		78,789	-	-	78,789
Other comprehensive income for the year		-	-	-	-
Transfers from retained earnings	18	(100,000)	100,000	-	-
Total comprehensive income attributable to members of the entity for the year		(21,211)	100,000	-	78,789
Balance at 30 June 2014		2,058,940	100,000	144,800	2,303,740
Comprehensive income					
Deficit for the year		(742,168)	-	-	(742,168)
Other comprehensive income for the year		144,800	-	(144,800)	-
Total comprehensive income attributable to members of the entity for the year		(597,368)	-	(144,800)	(742,168)
Balance at 30 June 2015		1,461,572	100,000	-	1,561,572

STATEMENT OF CASH FLOWS YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Commonwealth, State and Local Government grants		1,009,980	907,275
Receipts from customers		2,886,233	2,833,353
Receipts from donations		15,925	101,551
Payments to suppliers and employees		(3,851,099)	(3,502,686)
Interest received		-	143
Interest paid		(5,475)	(6,867)
Net cash provided by operating activities	12	55,564	332,769
Cash flows from investing activities			
Payments for property, plant and equipment		(3,393)	(193,091)
Net cash used in investing activities		(3,393)	(193,091)
Cash flows from financing activities			
Repayment of loans		(21,635)	(33,286)
Net cash used in financing activities		(21,635)	(33,286)
Net increase in cash held		30,536	106,392
Cash and cash equivalents at the beginning of the financial year		176,850	70,458
Cash and cash equivalents at the end of the financial year	5	207,386	176,850

The above statements should be read in conjunction with the accompanying notes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover The Bendigo Trust as an individual entity, incorporated and domiciled in Australia. The Bendigo Trust is a company limited by guarantee.

Basis of preparation

The Bendigo Trust applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not for Profits Commission Act 2012. 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 financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 27 October 2015 by the Directors of the Company.

(a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Bendigo Trust receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received. Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Contract revenue and rental revenue is recognised upon the delivery of the service to the customer.

Revenue from admissions or functions is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax.

(b) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call

with banks, other short-term highly liquid investments with original maturities of three months or less.

(d) Trade and Other Receivables

Trade and other receivables includes amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(g) for further discussion on the determination of impairment losses.

(e) Inventory

Inventories are measured at the lower of cost and current replacement cost.

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost as indicated, less where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at cost value, less subsequent depreciation for buildings. Land and buildings are not separately identified.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (h) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Tramways infrastructure	2.5%
Rolling stock	20%
Plant and equipment	10% - 33.3%
Discovery assets	2.5% - 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTES TO FINANCIAL STATEMENTS

(g) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition
- (ii) less principal repayments
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(h) Impairment of Assets

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an

impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors (or a group of debtors) are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit and loss.

(i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(j) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) 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 (ATO).

Revenue earned from admissions is exempt from GST under subparagraph 38-250(2)(b)(ii) of the Goods and Services Act 1999

NOTES TO FINANCIAL STATEMENTS

which relates to the treatment of GST by organisations in the cultural and performing art sector.

Receivables and payables are stated inclusive of the amount of GST in receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(m) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

(n) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(o) Economic Dependence

The Bendigo Trust is dependent on the City of Greater Bendigo for grant funding used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Council will not continue to support The Bendigo Trust.

(p) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value either on a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standards.

"Fair value" is the price the company would sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the company at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset and minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the company's own equity instrument (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

(q) New Accounting Standards for Application in Future Periods

Standard/Interpretation. AASB 9: Financial Instruments.

Effective for annual reporting periods beginning on or after 1-Jan-2018. Expected to be initially applied in the financial year ending 30-Jun-2018. These Standards are not expected to materially impact The Bendigo Trust.

(r) Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Bendigo Trust has had difficulties in making creditor payments as and when they fall due. At 30 June 2015 the company has a working capital deficiency of \$282,001.

The ability of The Bendigo Trust to continue for the foreseeable future is predicated on the company having available the necessary cash facilities. The Directors believe the going concern basis of preparation to be appropriated based on the following:

- The Bendigo Trust has transferred ownership of one of its loss making business units. This business unit, including impairment losses, contributed (\$502,857) in 30 June 2015, contributing to 84.2% of the total Company loss.
- The Bendigo Trust has received continued support from the City of Greater Bendigo council, including ongoing cash support during the year.
- The Bendigo Trust is forecasting to be cash flow positive in the 30 June 2016 year, and is currently meeting all of the payments to the ATO and other creditors as and when they fall due.

NOTE 2. DISCONTINUED OPERATIONS

In June 2015 The Bendigo Trust announced the decision to dispose of the Discovery Science & Technology Centre, thereby discontinuing its operations in the business segment.

This announcement was made subsequent to approval by the company's Management and Board of Directors.

The financial information relating to the discontinued operations is set out below:

	2015 \$	2014 \$
(i) Profit for the year from discontinued operations		
Revenue	397,672	719,950
Cost of sales and services	(197,435)	(187,443)
Gross profit	200,237	532,507
Expenses	(847,894)	(398,025)
Surplus/(deficit) from discontinued operations before tax	(647,657)	134,482
Income tax expense	-	-
Surplus/(deficit) from discontinued operations after tax	(647,657)	134,482
(ii) Financial performance and cash flow		
Net cash flow/(outflow) from operating activities	(9,454)	186,508
Net cash outflow investing activities	-	(146,274)
Net increase/(decrease) in cash by the discontinued operation	(9,454)	40,234
(iii) Carrying amount of assets and liabilities		
Non current assets held for sale:		
Property, plant and equipment	-	-
Liabilities directly associated with non-current assets held for transfer		
Provisions	-	-
Net non-current assets held for transfer	-	-
Reconciliation of non-current assets held for transfer:		
Balance at beginning of reporting period	-	-
Transfer from property, plant and equipment	587,482	-
Transfer from employee provisions	(23,699)	-
Impairment of non-current assets held for transfer	(563,783)	-
Balance at end of reporting period	-	-

NOTES TO FINANCIAL STATEMENTS

NOTE 3: REVENUE

	2015 \$	2014 \$
Revenue from operating activities:		
- admissions revenue	1,239,722	1,191,834
- food and beverage sales	57,770	55,091
- merchandise sales	252,909	257,713
- contract works	1,008,603	269,004
	2,559,004	1,773,642
Revenue from Government grants and other grants:		
- recurring grants and contributions (Local Government)	724,083	235,820
- recurring grants and contributions (State Government)	-	73,180
- non-recurring grants and contributions	-	257,000
	724,083	566,000
Other revenue:		
- lease, hire and rental income	21,354	58,466
- memberships	4,075	3,710
- sponsorship	-	122,377
- employment and training incentives	2,273	-
- interest received	-	143
- insurance recovery	2,682	-
- tram advertising hire	45,943	-
- anonymous donation to The Bendigo Trust Foundation	-	100,000
- other donations	15,925	1,551
- scrap metal sales	4,120	-
- other income	11,089	-
	107,461	286,247
Revenue from Government grants and other grants for projects:		
- recurring grants and contributions (Local Government - projects)	162,192	326,400
- non-recurring grants and contributions (State Government - projects)	64,690	1,000
	226,882	327,400
Total revenue and other income	3,617,430	2,953,289

NOTE 4: SURPLUS/(DEFICIT) FOR THE YEAR

	2015 \$	2014 \$
(a) Expenses		
Employment expenses		
- wages	1,811,945	1,610,956
- superannuation	173,598	148,997
- workcover	33,305	55,038
	2,018,848	1,814,991
Cost of sales and services		
- discounts given and commissions paid	69,273	79,568
- food and beverages	43,170	38,739
- merchandise	120,621	116,846
- materials, supplies and services	468,902	65,541
	701,966	300,694
Projects		
- materials, supplies and services	160,922	80,284

Other expenses

- human resources	29,562	36,984
- marketing	96,141	69,736
- finance	8,309	7,788
- corporate expenses	59,012	64,608
- rates and utilities	177,083	178,645
- repairs and maintenance	192,781	164,748
- other operating expenses	109,536	114,176
	672,424	636,685

Specific expenses

- interest	5,341	6,867
- bad debts	-	543
- depreciation	143,445	161,225
- legal fees	50	1,588
- audit fees	8,945	6,105
	157,781	176,328

NOTE 5: CASH AND CASH EQUIVALENTS

	2015 \$	2014 \$
CURRENT		
Cash on hand	8,716	22,319
Cash at bank - reserves	95,951	53,634
Cash at bank - restricted	102,719	100,897
	207,386	176,850

NOTE 6: TRADE AND OTHER RECEIVABLES

	2015 \$	2014 \$
CURRENT		
Trade receivables	241,375	138,248
Other debtors	1,303	1,467
Total Trade and other receivables	242,678	139,715

Credit risk - trade and other receivables

The company does not have material credit risk exposure to a single receivable and credit risk is minimised through the use of work contracts and purchase order commitments.

The following table details the company's trade receivables and other debtors exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

Note 6 continued overleaf ...

NOTES TO FINANCIAL STATEMENTS

NOTE 6: TRADE AND OTHER RECEIVABLES (Continued)

	Gross Amount \$	Past Due and Impaired \$	< 30 \$	Past Due but not Impaired (Days Overdue) 31-60 \$	61-90 \$	> 90 \$	Within Trade Terms \$
2015							
Trade receivables	241,375	-	164,994	-	3,496	-	72,885
Total	241,375	-	164,994	-	3,496	-	72,885

NOTE 7: INVENTORY

	2015 \$	2014 \$
CURRENT		
Inventory held at cost	118,768	120,329

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2015 \$	2014 \$
<u>Tramways Infrastructure</u>		
At cost	2,602,975	2,602,975
Less accumulated depreciation	(864,829)	(799,800)
	1,738,146	1,803,175
<u>Tramways Rolling Stock</u>		
At cost	1,039,749	1,038,559
Less accumulated depreciation	(999,161)	(958,169)
	40,588	80,390
<u>Plant and Equipment</u>		
At cost	550,692	548,633
Less accumulated depreciation	(373,610)	(336,301)
	177,082	212,332
<u>Discovery Assets</u>		
At cost	-	272,555
Less accumulated depreciation	-	(62,139)
	-	210,416
<u>Discovery Assets (from merger)</u>		
At cost	-	564,401
Less accumulated depreciation	-	(137,660)
	-	426,741
	1,955,816	2,733,054

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in the carrying amounts:

	Tramways Infrastructure \$	Tramways Rolling Stock \$	Plant & Equipment \$	Discovery Assets \$	Discovery Assets (merger) \$	Total \$
2014						
Balance at 1 July 2014	1,868,204	114,114	214,689	111,907	439,532	2,748,446
Additions	-	20,614	39,501	120,977	11,999	193,091
Disposals	-	-	-	-	-	-
Depreciation expense	(65,029)	(54,338)	(41,858)	(22,468)	(24,790)	(208,483)
2015						
Balance at beginning of year	1,803,175	80,390	212,332	210,416	426,741	2,733,054
Additions	-	1,190	2,059	-	-	3,249
Disposals	-	-	-	(185,100)	(420,352)	(587,452)
Depreciation expense	(65,029)	(40,992)	(37,309)	(25,316)	(24,389)	(193,035)
Revaluation	-	-	-	-	-	-
Carrying amount at June 15	1,738,146	40,588	177,082	-	-	1,955,816

NOTES TO FINANCIAL STATEMENTS

NOTE 9: TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
CURRENT		
Trade creditors	202,186	172,143
Accrued expenses	17,334	-
Employee entitlements	182,075	112,526
Other	62,024	48,661
Total trade and other payables	463,619	333,330
(i) Financial liabilities classified as trade and other payables (note 16)		
Payable to the Australian Tax Office	57,363	32,978
Total financial liabilities classified as trade and other payables	520,982	366,308

NOTE 10: PROVISIONS

	2015 \$	2014 \$
CURRENT		
Provision for annual leave	95,370	117,785
Provision for time in lieu	219	194
Provision for long service leave	109,183	84,051
	204,772	202,030
NON-CURRENT		
Provision for long service leave	52,243	91,156

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1 (h).

NOTE 11: BORROWINGS

	2015 \$	2014 \$
CURRENT		
Bank overdraft	65,079	26,714
Loan - City of Greater Bendigo	60,000	60,000
	125,079	86,714
NON CURRENT		
Loan - City of Greater Bendigo	60,000	120,000

NOTE 12: CASHFLOW INFORMATION

Reconciliation of surplus to net cash provided by operating activities.

	2015 \$	2014 \$
Surplus / (deficit)	(742,168)	78,789
Non cash items:		
- depreciation	193,035	208,483
- impairment of non-current assets held for transfer	563,783	-
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(102,963)	169,082
- (increase)/decrease in inventory	1,561	3,750
- (increase)/decrease in other assets	-	13,697
- increase/(decrease) in payables	154,674	(147,717)
- increase/(decrease) in provisions	(12,358)	6,685
Net cashflows provided by operating activities	55,564	332,769

NOTE 13: KEY MANAGEMENT PERSONNEL

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any Director (whether executive or otherwise) is considered key management personnel.

Key management personnel compensation, including short term benefits, post employment benefits and other long term benefits, were in the range of \$100,000 to \$150,000 for the year.

Other Related Parties

Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

City of Greater Bendigo

	2015 \$	2014 \$
Receipts - grant funding, sponsorships	974,993	1,135,806
Payments - rates, insurance, loan repayments	(120,439)	(120,664)
	854,554	1,015,142

NOTE 14: CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

No finance lease commitments contracted for.

(b) Operating Lease Commitments

No operating lease commitments contracted for.

(c) Capital Expenditure Commitments

No capital expenditure commitments contracted for.

NOTE 15: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The company's Directors are not aware of any contingent liabilities or assets as at the date of signing this financial report.

NOTE 16: EVENTS AFTER THE REPORTING PERIOD

In July 2015 the Management Agreement between The Bendigo Trust and the Discovery Science & Technology Centre was terminated. The Discovery Science & Technology Centre has since appointed a Board of Management and will continue operations as a separate legal entity.

The Directors are not aware of any other significant events since the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

NOTE 17: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2015 \$	2014 \$
Financial assets			
Cash and cash equivalents	5	207,386	176,850
Loans and receivables	6	242,678	139,715
Total financial assets		450,064	316,565
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	9	463,619	333,330
- borrowings	11	185,079	206,714
Total financial liabilities		648,698	540,044

NOTE 18: RESERVES

The Bendigo Trust Foundation Reserve was established to grow the corpus to underpin The Bendigo Trust's long term viability.

NOTE 19: REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

Registered Office	Principal Place of Business
The Bendigo Trust	The Bendigo Trust
76 Violet Street, Bendigo 3550	76 Violet Street, Bendigo 3550

NOTE 20: MEMBERS' GUARANTEE

The company is incorporated under the *Australian Charities and Not for Profit Commission Act 2012* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30 June 2015 the number of members was 86.

DIRECTORS' DECLARATION

THE BENDIGO TRUST
ABN 39 005 014 175
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2015

In accordance with a resolution of the Directors of The Bendigo Trust the directors of the entity declare that:

1. The financial statements and notes are in accordance with the *Australian Charities and Not for Profit Commission Act 2012* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



David Wright
Chairperson
The Bendigo Trust



Wayne Gregson
Director
The Bendigo Trust

Dated this 27th day of October 2015

AUDITOR'S REPORT



Independent auditor's report to the members of The Bendigo Trust (a company limited by guarantee)

We have audited the accompanying financial report, being a general purpose report, of The Bendigo Trust (a company limited by guarantee)(the company), which comprises the statement of financial position as at 30 June 2015, 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 on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The responsibility 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 Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not for Profits Commission Act 2012* and for such internal control as 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Australian Charities and Not for Profits Commission Act 2012*.

Auditor's opinion

In our opinion the financial report of The Bendigo Trust (a company limited by guarantee) is in accordance with the *Australian Charities and Not for Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not for Profits Commission Regulations 2012*.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1(s) in the financial report, which indicates that as at 30 June 2015 The Bendigo Trust has had difficulties in settling debt as and when it falls due. The Bendigo Trust has a working capital deficiency of \$282,001.

The ability of The Bendigo Trust to continue for the foreseeable future is predicated on the company having available the necessary cash facilities. The directors believe the going concern basis of preparation to be appropriated based on the following:

- (i) The Bendigo Trust has transferred ownership of one of its loss making business units. This business unit, including impairment losses, contributed \$502,857 or 84.2% of the total Company loss.
- (ii) The Bendigo Trust has received continued support from the City of Greater Bendigo council, including ongoing cash support during the year.
- (iii) The Bendigo Trust is forecasting to be cash flow positive in the 30 June 2016 year, and is currently meeting all of the payments to the ATO and other creditors as and when they fall due.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated this 29th day of October 2015

A handwritten signature in black ink, appearing to read 'Adrian Downing'.

Adrian Downing
Lead Auditor

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TAXATION • AUDIT • BUSINESS SERVICES • FINANCIAL PLANNING



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The Bendigo Trust is a not for profit company limited by guarantee. It is endorsed as a Tax Concession Charity and a Deductible Gift Recipient by the Australian Taxation Office.

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