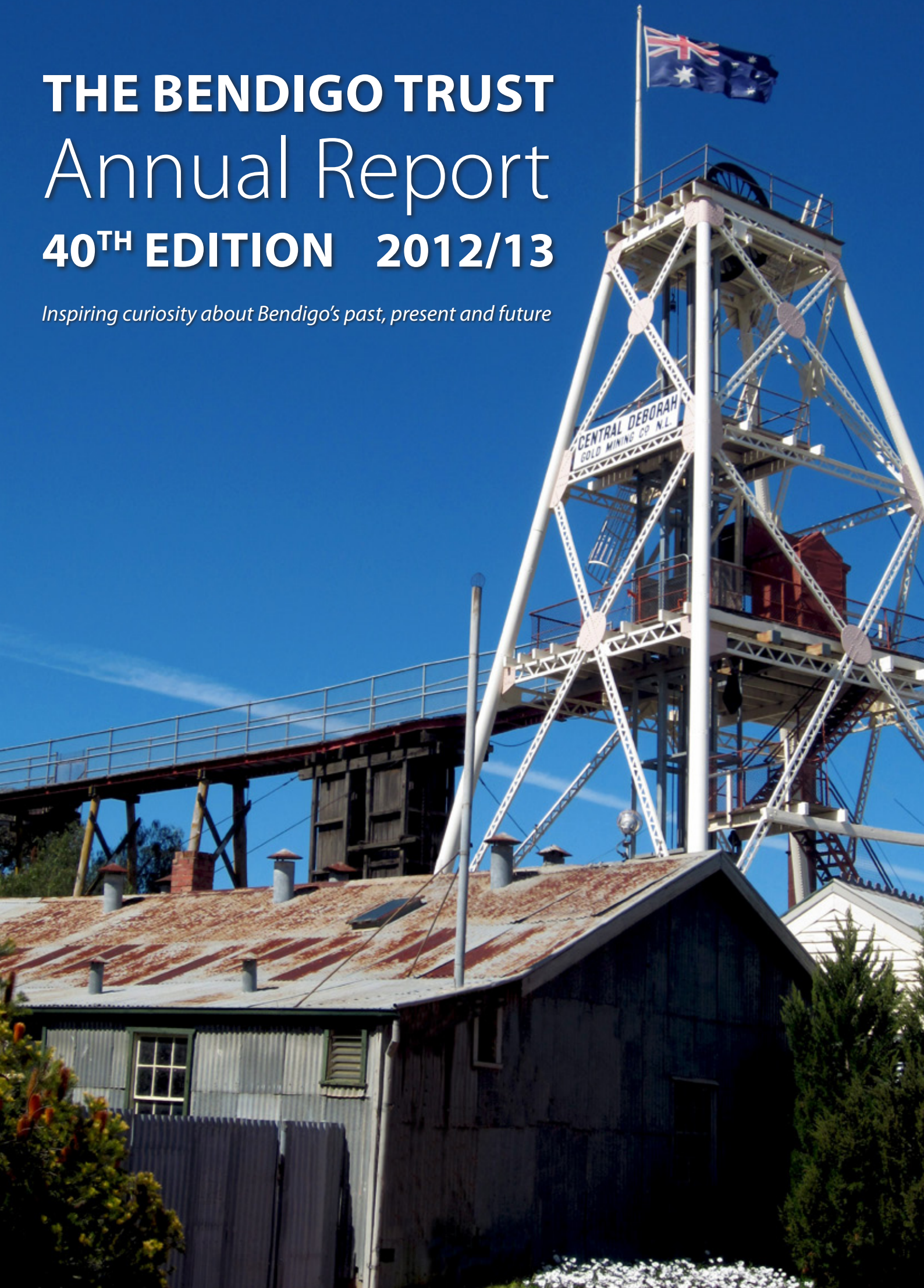


THE BENDIGO TRUST

Annual Report

40TH EDITION 2012/13

Inspiring curiosity about Bendigo's past, present and future





Bendigo Joss House Temple

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FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Lloyd Cameron,
Chairman



Tom Seddon, CEO



Every year at the Trust is a challenging one, and 2012/13 was no exception. It was also a year of progress, as you'll see reading through this Report. Attendances rose, the Tramways Workshop was busy, and the immediate threat to Central Deborah Gold Mine from a rising water table was averted. Financially, we achieved a solid improvement on our 2011/12 result. As a team and an organisation we also made strides in efficiency and standards.

It is our pleasure to present the Annual Report of The Bendigo Trust for 2012/13.

Strategic Planning, Board and Corporate Governance

The Board, working with the management team (and consulting more broadly across the organisation), adopted a new Bendigo Trust Strategic Plan 2013–16. The plan emphasises financial sustainability; care for the assets in our charge and the experiences we present to our visitors; care for the Trust as a team of staff and volunteers; and development of key relationships in industry, community and government.

Our 2008 Strategic Plan was for execution over five years and remained largely static during that time: each annual business plan during that time advanced various parts of the Strategic Plan. From 2013 onwards, the entire plan will be revisited each year so that it remains current and the board remains strategically future-focused.

With Discovery now fully integrated into the Trust, the governance role of the committee of management of Bendigo Science & Technology Museum Inc. is much reduced and a Discovery Advisory Board has been established to focus on practical ways to improve Discovery's education programs, Lab Workshops, science and planetarium shows, and the Centre's exhibits.

During 2012/13 there were two appointments and one departure from the board. Noel Hobley filled a casual vacancy in July 2012 and was then confirmed to a full term at the Annual General Meeting. Following Local Government Elections in

November 2012, incoming Cr Elise Chapman was nominated to take the seat vacated by retiring Cr James Reade.

Finally, after nine consecutive audits, good governance practice mandated a change of team: fresh eyes to look over the Trust's systems and financial statements. Accordingly we thanked Mr David Pell for his audit services over nearly a decade and after a competitive tender process, AFS Chartered Accountants were appointed for three years commencing with the 2012/13 audit.

Awards

At the Victorian Tourism Awards in November 2012, Central Deborah Gold Mine won the Heritage and Cultural Tourism Award for the second year running; we compete for Hall of Fame membership this year. Central Deborah Gold Mine also won the Bendigo Business Excellence Award for Hospitality and Tourism, on our first try and against very worthy competition in the Bendigo Art Gallery's blockbuster, Grace Kelly: Style Icon.

Major Challenges, Major Projects

Central Deborah Gold Mine

As we wrote last year, Central Deborah Gold Mine faces the very real threat of inundation from a rising water table. Central Deborah is connected underground to other mines on the Deborah Reef, through them to the modern workings of Unity Mining's Swan Decline mine, and from the Swan Decline to other old mine workings on the Bendigo field. In fact, Central Deborah Gold Mine is the low point on the surface for all of these hundreds of kilometres

of connected workings.

Bendigo's groundwater is naturally brackish and high in metals such as arsenic and manganese and so cannot be used for drinking, recreation or agriculture. In times past, mines would keep their workings dry by bailing water into the creek, but we know better today and under modern environmental regulations this water cannot be allowed to mix with surface water.

The Bendigo Trust took an early lead on this issue: Central Deborah Gold Mine would be affected before the rest of the City (or downstream users), and so there was a real incentive for us to act to build understanding of the issues and to press for action in time to prevent Central Deborah from flooding.

Funding applications were pending when we wrote for last year's Annual Report. The Victorian Government subsequently agreed to provide \$300,000 towards the cost of installing pumping infrastructure at Central Deborah, and water levels – once 1.2km below our workings – reached the new pumps 260 metres below the surface in July 2013.

Work continues among many stakeholders to determine where and how this water is best evaporated, treated and recycled, or reinjected back into another poor quality aquifer.

Bendigo Tramways

Bendigo celebrated the 40th Anniversary of the Vintage 'Talking' Tram service on Sunday 9 December 2012 with the presentation of the newest addition to our Vintage 'Talking' Tram fleet: our 1903 Tram No. 8. This has been a project of many years' duration, but the result is brilliant and we were very pleased to have Gordon McKern OAM, past-chairman of Sandhurst Trustees, to launch the tram in acknowledgement of their significant support for this project.

Another tram that rolled out of Bendigo Tramways' workshop last year was Melbourne W8 No. 959, the newest member of the Melbourne City Circle fleet. A second City Circle tram is in the workshop now and we are hopeful for many more to come.

Discovery Science and Technology Centre

Funds raised in 2012 (totalling nearly \$100,000) were spent during the year to make a range of improvements to The Lab at Discovery and to

renew or rebuild exhibits on Discovery's main exhibition floor. Thanks are due to Gandel Philanthropy for Lab funding, and to the Helen Macpherson Smith Trust and the Central Victorian Community Foundation for exhibit floor assistance.

Trading, Visitation and Project Funding

Admissions revenue increased by 4% to \$1,425,494 as attendances trended up across the board with rare exceptions (surface access to Central Deborah was down by 600). Total visitors were 108,388 across all venues, an increase of more than 5,000 on 2011/12.

Retail was slightly improved, but *Whodunit?* did not provide any sort of boost to retail at Discovery. Food and beverage sales did better as more visiting groups took up on-site catering options.

In the Tramways' Workshop, the first City Circle Tram was sent home to Melbourne in June and work on the second tram is now underway. Total workshop revenue was \$745,198, nearly double the previous year.

Private donations, philanthropic grants and competitive government grants provide much of our ability to undertake projects across the Trust. Successful new grants awarded during the year included \$15,000 from the National Library of Australia for assessments of documents and items at Bendigo Tramways and Central Deborah Gold Mine, and more than \$180,000 in cash and kind for various projects at Discovery.

As ever, we are also very grateful for the annual capital works allocation provided by the City of Greater Bendigo. During 2012/13 a large part of this funding went to the groundwater pumping project at Central Deborah, however other improvements were made across Central Deborah and Bendigo Tramways.

Financial Performance and Financial Management & Reporting

Total revenue for 2012/13 was \$4,060,624, a 13% increase on 2011/12 result. Costs increased by 10% to \$4,124,510. These figures reflect both general trading operations and capital projects. The latter can and do vary considerably from year to year, and while our final result was a loss of \$63,886 that is a \$150,000 improvement on 2011/12.

CFO Lisa Horan has made enormous strides in her first year, overhauling monthly

Private donations, philanthropic grants and competitive government grants provide much of our ability to undertake projects across the Trust.

Volunteer
time
contributed
to the Trust
last year is
estimated
to be worth
more than
a dozen full
time staff.

and quarterly financial reporting to the Audit Committee and the board. Our mid-year budget review was well structured and set the stage for an all-new budget-building process that saw the 2013/14 budget built from the ground up, unit by unit. This is a very significant change that should be reflected throughout the year in still better financial reporting, more meaningful reporting against budget and better forecasting throughout the year.

Business Planning and Budgeting 2013/14

Since 2008, the Trust has been guided by its Strategic Plan 2008–13. This document focused our planning on several top level objectives and each year's budget and business plan set out specific targets or actions for the year which brought us closer to achieving the Strategic Plan.

Our 2012/13 goals included, for a start, creating a new Strategic Plan for the Trust. The 2008–13 plan served us well and we built upon it this past year to create a new plan. We also changed our planning process going forward: the new Strategic Plan looks three years ahead, and in 2014 and every year after we will "roll the plan forward" another year so that at the strategic level we are always looking around three years ahead.

Other noteworthy goals for this year included:

- Website overhauls for Discovery and the Tram Workshop: DONE.
- Completion of groundwater pumping works, before they are needed: DONE.
- Promote Nine Levels of Darkness to inbound tour operators: DONE. Take up has increased, however for much of the year the tour was unavailable due to works in the shaft and on Levels 7-10 to prepare for and install the new pumps.
- Overhaul the mineshaft personnel and materials cages: This project was also delayed by the pumps project, but is being completed as we write.
- Overhead works North of Tramways Avenue: DONE.
- A major upgrade to The Lab at Discovery: DONE, thanks to the support of Gandel Philanthropy.

- Exhibit overhauls at Discovery: DONE, thanks to the support of the Helen Macpherson Smith Trust and the Community Foundation for Central Victoria.
- Host the *Whodunit?* major exhibition at Discovery: DONE, with support from the City of Greater Bendigo and La Trobe University.

Staff and Volunteers

Volunteer time contributed to the Trust last year is estimated to be worth up to a dozen full time staff. This is contributed by many people and at all sites, although – as ever – Bendigo Tramways remains the volunteerism heavyweight.

Volunteers do more than just help us "keep the doors open". They are a connection to the local community, one that is different to that we obtain via our many paid staff. So a heartfelt "Thank You!" to everyone who volunteered their time at Discovery, the Joss House, Central Deborah, on the tracks or in the depot.

There are several new faces in the Trust management ranks, beginning with Discovery Manager David Holmes who joined us in February after Lisa Gormley left us. Also new at Discovery is Assistant Manager Kate Barnard and Weekend Supervisor Robyn Buttrey.

At Bendigo Tramways, Mike Campbell has been a valuable addition as Tramway Team Leader – Engineering and Network Assets.

At Central Deborah Gold Mine we have recently said goodbye to longtime staff members Jill Moorhead and Visitor Services Manager Trevor Lamb. Trevor's place has been ably filled by Darcy Van Dillen.

2012/13 was an exciting year with both opportunities and challenges, and one in which the Trust definitely moved ahead. We look forward to 2013/14 and commend this annual report to you.



Lloyd Cameron
Chairman



Tom Seddon
Chief Executive Officer



Tram No. 8 was refurbished by the Bendigo Tramways team and officially launched at the 40th Anniversary of our Vintage 'Talking' Trams on Sunday 9 December 2012.

BENDIGO TRAMWAYS

Jos Duivenvoorden, Bendigo Tramways Manager



The 40th anniversary of Vintage 'Talking' Trams on 8 December 2012 was an unqualified success with 1,600 passengers.

Two significant milestones have been achieved over the last 12 months; completion of the Tram Depot Redevelopment and the delivery to Yarra Trams of Tram No. 959, the first W8 class trams restored and overhauled at Bendigo.

Tram tours, charters, tram museum and other services

Vintage 'Talking' Talking Tram Tours

Our Vintage 'Talking' Tram Tour is continuing as a well-patronised and steady business. At just over 41,000, passenger numbers are largely in line with last year. Almost 25% of those are "special tours" including the popular Bendigo Blues Tram.

On 9 December 2012 we held an open day to celebrate the 40th anniversary of Vintage 'Talking' Trams. The event was an unqualified success with 1,600 passengers in one day and provided a new record of passenger trips in any one day, the Tram Depot was also well attended. The launch of Tram No. 8 was the highlight of the day and presented a great opportunity to express our thanks to Sandhurst Trustees and the Frances and Harold Abbott Foundation for their contribution.

Charters

The introduction of the Blues Tram by the Bendigo Blues and Roots Festival has been a great success. Tram No. 610 and No. 369 have seen several Blues events. Visitors have enjoyed live blues music and light refreshments while traveling through Bendigo's classic streetscapes.

There have been consistent "specials" throughout the year. Enabling groups to book a tram has proven to be a popular choice and this segment is growing steadily.

The 976 restaurant tram continues to be a popular and regular sight on Bendigo's streets.

Tram Depot

A new large screen was installed as part of the Trust's annual capital improvement program. It currently shows a video explaining the workshop operations. This "sound and light" addition adds life at the back of the tram workshop.

The introduction of the "history sound track" in Tram No. 84 has also added variety and content in the tram tour. Triggered by movement, the one minute recording explains the history of this particular tram.

Bendigo's Operating Tram Fleet

The operating tram fleet is being maintained at 12 trams. Major maintenance, particularly wheel replacement or profiling is required on several trams. In the past, wheels were often cannibalised from other trams, which is not a sustainable practice. A multi-year program has been established to profile wheels or, for those at the end of their lives, acquire and fit new wheels on one tram each year. Wheel profiling Tram No. 21 was carried out in November 2012 and new wheels have been acquired for Tram No. 7. An active strategy is being pursued to use "one-man" trams to facilitate staffing. Restoring Tram No. 7 is the first significant step in that strategy.

Collection Management

Restoration and refurbishing of Tram No. 7 has commenced with capital funding the board approved in 2011/12. Depending on funding, this is likely to be a two-year program. Once completed, it will be part of the operating fleet. The return of Tram No. 32 from Preston was a welcome sight. This tram was built in 1918 for the Hawthorn Tramways Trust, however its home since 1945 has been Bendigo. It was restored in 2005 and loaned to Melbourne for the centennial of the Hawthorn Tram Depot, which is now a museum. Once fitted with sound it will be used in our regular Vintage 'Talking' Tram service.

Network assets

The replacement of the Pall Mall overhead poles, which has been in the pipeline for a few years, was completed over May/June 2013. This project was largely funded by Powercor with the Tramways providing labour and materials to upgrade its assets on the poles.

Part of the curved tracks in the Weeroona Depot have been re-gauged and embedded in concrete for operational safety and to alleviate occasional derailments (which required cranes to put the trams back on the tracks).

Heritage Workshop

The workshop has been consistently busy in the last year. Revenue for minor works were well above budget with jobs from Perth, Parks Victoria, Daylesford and Sydney. Our own trams were not neglected, we also completed the refurbishment of Tram No. 8 which was initially commenced almost ten years ago with funding from the Francis and Harold Abbott Foundation, managed by Sandhurst Trustees.

The W Class work has finally swung into gear with the completion of City Circle Tram No. 959 which left the workshop in June 2013. The next City Circle tram, No. 957, is in our workshop now. All in all 2012/13 has been an outstanding year for the Bendigo Tramways Heritage Workshop.

Depot Improvements

The final phases of the Depot Redevelopment were completed this year with landscaping of the courtyard, the front entry and the installation of the fume extraction system in the paint shop.

Other major improvements included the construction of the new pedestrian pathway for our visitors, the provision of new electric jacks for lifting trams and the acquisition of a forklift. These significant investments are continuing to improve the efficiency, safety and general operation of the workshop.



Staff and Volunteers

Structural change to Tramways staffing has been on going. We have increased the flexibility of the workshop labour significantly, allowing costs to be managed and matched with work. The new staff appointments have substantially improved our capability in welding and metalwork for instance, skills essential for the W Class works. Additional volunteers are continuing to make a significant contribution to works on our own trams as well as assisting with works on external jobs. The tram service itself relies heavily on an enthusiastic group of volunteers. This is necessary to keep costs down but – just as importantly – it is the engagement of the community that keeps Bendigo's trams on the rails.

Organisation Development

The Bendigo Tramways is pursuing continuous improvements in its 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 the organisation's capabilities. The annual review of the Safety Management System also identified opportunities for improvement, with a major overhaul of our defect reporting and tracking system as well as other minor improvements.

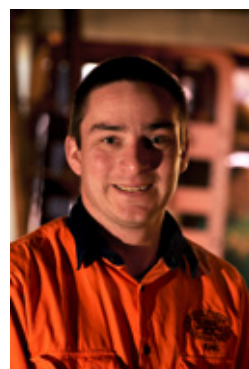


Below Left:
City Circle Tram No. 959 is loaded onto the back of a truck for its return journey to Melbourne.

Below Right:
The Bendigo Blues Tram, run by the Bendigo Blues & Roots Festival, has been a hit with music lovers.

CENTRAL DEBORAH GOLD MINE

Karl Penrose, Central Deborah Gold Mine Manager



Without a doubt we have had one of the most challenging years at Central Deborah Gold Mine since we ventured back underground in 1985. It has certainly tested all of our team's patience and commitment, and proven yet again how dedicated and resourceful all of our staff are in ensuring the continued success of Central Deborah Gold Mine as one of Australia's unique attractions.

Central Deborah Gold Mine was awarded Victoria's Heritage and Cultural Tourism Attraction of the Year at the RACV Victorian Tourism awards for the second year in a row.

Mine Surface

For a large part of the year, the area around the main shaft was converted into a work area to allow installation of the new pumping system. This saw the whole area on the South side of the shaft being blocked off for public access. Although this took up a lot of space, our guides once again showed their flexibility in being able to make this arrangement work, even in busy times, and with large groups. The area has since been returned to normal. We have, however, had the addition of a new electrically powered winch on the surface. This will facilitate maintenance and repairs to the new pumping system.

Once again, our volunteers Ross and Linda have put in an outstanding effort maintaining and adding to our garden beds. The plants are growing and looking better all the time.

The Berdan Pans in the Battery Shed have been made operational. After the installation of safety fencing these will become an additional stop on our mine surface tours.

Installation of the pumping system consumed most of our time and budget, most other works this year have been minor maintenance or preparation for works in the current year.

Underground

Only minor or necessary works have been carried out throughout the year due to the pumping system's demand on resources, these works included;

- The levels below Level 10 have had all assets of value retrieved for re-use or sale as scrap.
- Further upgrades to communication systems took place throughout the year.
- New ground support was installed on

Level 2 between the old 44 drive and the explosives display.

All other underground works relate to the pumping system and are included in the following section.

CDGM Pumping System

Work continued installing the pumping system and making progress on addressing the future of Bendigo's water problem, including finding a clear 'owner'. As part of this process, The Bendigo Trust has played a very active role, along with other stakeholders, to ensure that a long-term solution will be found not just to pump the groundwater, but also where and how it is discharged.

For Central Deborah Gold Mine, our main focus has been on installing the pumping system itself. This task has been nothing short of monumental and the continued effort by all levels of Trust staff and stakeholders in ensuring a successful outcome cannot be understated.

Once again, the mine maintenance crew have worked long and tirelessly in dirty, wet and often very tight conditions. They have charged head-on into tasks that only a few short years ago would have been considered impossible to achieve in-house. Their efforts in seeing this project through are truly appreciated by all. Thank you! Thanks are also due once again to our Engineer, Bob Styles, for his guidance and assistance on much of this project. During 2012/13 we:

- Finalised design and specifications.
- Completed excavation of the shaft at Level 10 and installed the pump support (chaining) assembly. This proved to be much more difficult than any of us thought possible. After trying various methods, in

the end this relatively large excavation job had to be accomplished using hand-held jackhammers.

- Completed installation of a winch on the surface for use during pump installation and for repairs and maintenance going forward.
- Completed repairs to the smokebox between the surface and Level 10, including installation of collar beams to support the two new rising mains.
- Installing pumps and rising mains.
- Installation of the electrical system, including a new substation on Level 7.
- Commissioning of the system. As much was done as possible, but as of June 30, water had still not reached the pumps.
- We also worked with Unity Mining and contractors in the Swan Decline to limit, where practical, the water that would have to be pumped out from Central Deborah. Drill hole grouting and permanently sealing off one leg of the Napoleon Reef is reducing water inflows by up to several hundred thousand litres per day.

Note: At the time of writing, the pumps have been commissioned successfully and are now pumping water.

Workplace Health and Safety

We constantly review our training and procedures to ensure a safe environment for all our staff and visitors.

As always, safety inspections of equipment and underground workings have top priority.

Tour take-up and development

Our mainstay tours are travelling well: 28,460 patrons for the Mine Experience Tour and 1,469 on the Underground Adventure Tour. Our Nine Levels of Darkness tours doubled in 2012/13, even though pump works frequently caused this tour to be unavailable. To increase the availability of this tour, we now ensure that there is always a Winder Driver available on Saturdays, and we are looking forward to a busier year for Nine Levels of Darkness tours.

Underground birthday parties continue to go great guns with 457 kids having had a great time!

Work was begun on the development of a new specialised Geology tour which will cater to the new Minerals, Earth Movement and Mining unit of the year eight Earth, Space and Science Syllabus.

Awards and other happenings

This year Central Deborah Gold Mine won awards, hosted top rating TV programs and welcomed some special guests who came to jump off the poppet head! During 2012/13 we:

- Won the Heritage and Cultural Tourism category at the RACV Victorian Tourism Awards for the second year in a row.
- Won the Hospitality and Tourism category at the Bendigo Business Excellence Awards.
- Were awarded a Certificate of Excellence for consistently high ratings on Trip Advisor. Central Deborah Gold Mine is rated the No.1 attraction in Bendigo with a 5/5 rating.
- Were featured on Toasted TV, ABC's 3on3, Judy Bailey's Australia which aired in NZ and Tony Robinson's Time Walks which aired on the Discovery Channel.
- Hosted Deep and Meaningful: Readings down the mine, as part of the Bendigo Writers Festival.
- Hosted the West Australia Emergency Services Training Team and the Kalgoorlie Mine Rescue Team who conducted Rope Rescue training off our poppet head and Team Skills training.
- Participated in the Dahlia and Arts Festival Family Fun Day and the National Trust Heritage Week.

Below: Toasted TV's Kellyn and Seamus pose with tour guide Laurie Jensen.

Central Deborah Gold Mine was awarded Victoria's Heritage and Cultural Tourism Attraction of the Year at the RACV Victorian Tourism Awards for the second year in a row.



DISCOVERY SCIENCE & TECHNOLOGY CENTRE

David Holmes, Discovery Manager



The last financial year was nothing if not interesting here at Discovery: We hosted our first major travelling exhibition, took the opportunity to overhaul The Lab and the main exhibition hall and went through a host of staffing changes.

At the end of it all, while the lacklustre attendance of the *Whodunit?* exhibition has left us with a disappointing financial result, we were also presented with some golden opportunities to make improvements to the Centre. Total attendance for the year was 29,231. While it would have been great to break 30,000 this year, it's only a very few years ago that we broke through 20,000 in annual visitation.

One of the most noticeable improvements has been to The Lab, with \$42,000 of funding from Gandel Philanthropy having been spent on new flooring, lighting, heating, cooling and lab equipment. The result is remarkable, The Lab is now a clean, modern and inviting space. With use from our Curious Kids, Education Groups and Birthday Parties, we have been able to enhance several programs at once by making this upgrade to The Lab.

Of course the biggest change to the Centre occurred in the first half of 2013, when Discovery's main exhibition floor was transformed into a giant crime scene as we hosted Scitech's *Whodunit?* exhibition. Installing the exhibition was no small feat, with people from across the Trust helping us arrange shipping containers and forklifts and storage space. The start of the exhibition coincided with a very prominent

marketing campaign, two new full-time staff commencing and a host of new volunteers.

It is tempting to focus only on the disappointing figures for the *Whodunit?* exhibition, but having the exhibition in was important for more than just generating revenue. Perhaps most importantly, many of our older exhibits got a long overdue chance for a breather. With \$45,000 of combined grant money from the Central Victorian Community Foundation and the Helen McPherson Smith Trust, we were able to start work on enhancing the exhibits which are such a central part of what we do. This task was made much easier by being able to remove our exhibits from the Centre en masse whilst *Whodunit?* was in. Many thanks to our tireless workshop crew of Jim McGregor and George Stirling for the improvements that they have made. We have also been fortunate in receiving exhibit donations from both Questacon and Scienceworks. While there is already a noticeable difference inside Discovery, there is more still to come.

In addition to all of these big projects, regular activities at Discovery also ticked along nicely. Inside, The Lab was busy with workshops and Curious Kids sessions, while school holidays allowed us to get creative with science shows covering the Olympics, Sound, Kitchen Science and Forensic Science. The Planetarium had a first, with the professionally produced planetarium film '*Dark*' playing for the duration of the *Whodunit?* exhibition. A few partial solar eclipses also gave us the opportunity to get out of the Centre and share the experience with passers-by (with some help from our good friends at the BDAS).

Other one-off events included celebrating Australia Day at Lake Weeroona, putting on a range of activities for National Science Week and hosting the '*Get Into Science*' day for secondary students in partnership with La Trobe University.

One of the most noticeable improvements has been to The Lab with new flooring, lighting, heating, cooling and lab equipment.



In conjunction with La Trobe University, we inspired students to 'Get into Science'.



Discovery's main exhibition floor was transformed into a giant crime scene as we hosted Scitech's *Whodunit?* exhibition.

BENDIGO JOSS HOUSE TEMPLE

Darren Wright, Bendigo Joss House Temple Supervisor



This year has seen the Bendigo Joss House Temple continue to be a highlight of the cultural history in the Bendigo region, with many visitors getting a tantalizing glimpse into the philosophies and beliefs of a people that once comprised a quarter of the population of Bendigo.

We are fortunate that the Chinese history of Bendigo is much more tangible than in other places where there is no longer anything remaining to tell the tale. This could have easily been the case here, but thanks to many visionary organisations such as the National Trust and The Bendigo Trust, we have a little

more to show than most.

However, we must not rest on our laurels. The preservation of our past is a massive undertaking. Time can be a ferocious enemy, the passage of it can take quite a merciless toll. No building survives for a century and a half without something requiring repair or

replacement, as is the case at the Bendigo Joss House Temple with regard to some isolated termite damage, rising damp and replacement of guttering. With the warmer weather upon us, these things can now be addressed.

It has been a very busy year, we have had some very large groups pay us a visit which frequently keeps us on our toes! The reputation of the temple continues to grow, with more worshippers discovering our existence and tourists continuing to marvel at the history of one of the few surviving buildings of its type left in Australia, and the fact that it is still functioning as a place of worship.

No amount of thanks is too much with regard to the tireless efforts of the volunteers who continue to allow the site to function on a daily basis, sometimes it is difficult but we manage. Thank you all most sincerely!

Last November, volunteer Dennis O'Hoy was interviewed for a documentary called *Story of Australia* that aired recently and was seen by millions of viewers in China, hence the Chinese

history of Bendigo continues to travel far beyond our shores, being of interest the world over.

Our Chinese Lantern Festival continues to increase in popularity. Tiered seating was provided this year which rapidly filled up and still resulted in many people standing to view the excellent performances given by the respective Bendigo Chinese Association troupes. This leaves us with the challenge of trying to incorporate more seating next year, a challenge indeed given the small amount of space available.

Our new point of sale system brings the Bendigo Joss House Temple in line with the other Bendigo Trust sites and a new display counter was purchased, improving the look of the reception area.

With the current year rapidly drawing to a close, 2014 (Year of the Wooden Horse) I dare say, will be full of both continued triumphs and its fair share of challenges too. May we all endeavour to rise to the occasion and bravely carry on the good work!

Below: The Bendigo Joss House Temple Lantern Festival continues to grow in popularity each year.



Right: Bendigo Joss House Temple Volunteer, Dennis O'Hoy is interviewed as part of a documentary called *Story of Australia* which aired in China.



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 RESERVE

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.



SALES AND MARKETING

Evonne Oxenham, Sales and Marketing Manager



This year has involved some big marketing projects as well as a focus on streamlining our internal processes in the Sales and Marketing area. Not all of our endeavours produced the results we were hoping for, but we emerged out the other end not too worse for wear and with renewed focus.

Whodunit? ... We had to know

The *Whodunit?* exhibition at Discovery was definitely the biggest marketing campaign that has been undertaken by the Trust in many years. Our plan was to hire a large travelling exhibition and give it a red hot go ... which is exactly what we did. We were also fortunate to get the support of the City of Greater Bendigo, La Trobe University and Bendigo Modern Press. While *Whodunit?* didn't yield the financial result we were hoping for during the course of the exhibition, Discovery received widespread exposure that it has never had before. From a marketing point of view, *Whodunit?* proved to be an experiment we're unlikely to repeat, but it did help us prove that we are capable of running a major marketing campaign

and producing high quality marketing collateral, which we received no shortage of positive feedback about. It also helped Discovery reinforce its focus on improving in areas where it has the potential to shine, such as our science shows and interactive exhibits.

Tram-tastic

A big celebration that took place at the Bendigo Tramways was the 40th Anniversary of Vintage 'Talking' Trams, which was commemorated in grand style on 9 December 2012. With plenty of media attention, the trams were the talk of the town for the day as 1,600 people took up the opportunity to come and experience a heritage tram for themselves. The depot was packed with onlookers as we unveiled Tram No. 8, the

oldest electric tram in our fleet (1903) following its remarkable restoration by the workshop team. The event really helped to reinforce in everyone's mind that community support for the trams is still very strong.

This event was closely followed by another round of Santa Tram which was once again fully booked, despite us doubling the number of trips being offered ... and the question was whether the children or the parents enjoyed the experience more? It is great to be able to offer locals such a unique experience and continue a tradition, initially started by Myer almost 50 years ago!

Over-achieving underground

Central Deborah Gold Mine has continued to kick goals as a top-notch tourist attraction, winning the Victorian Tourism Award in the Heritage and Cultural Tourism category for the second year running and taking out the Hospitality and Tourism category at the Bendigo Business Excellence Awards.

The uptake of our new Nine Levels of Darkness tour doubled from 2011/12 even though on many days groundwater pumping installation works made the tour unavailable.

A competition to win a double pass for the tour drew a lot of attention at the Adventure

and Travel Expo, which was held at the Melbourne Exhibition Centre in February 2013.

Improving our ways of working

As was intimated in the previous annual report, there was a strong focus on reviewing our ways of working in the Sales and Marketing area, with a view to improving our efficiency and customer service delivery. We made in-roads into reviewing our food handling procedures and formalised a number of customer service procedures to improve consistency. The restructuring of the Visitor Services Supervisor position is expected to deliver much more noticeable progress in the year ahead.

Fond farewells

Two stalwarts of the Trust chose 2013 as a suitable year to announce their retirements. Jill Moorhead, Visitor Services Officer, and Trevor Lamb, Visitor Services Manager, dedicated 24 years and 27 years to the Trust respectively. During this time, they both filled many roles across the Trust, but both ended up as smiling faces behind the reception counter at Central Deborah. They have surely left a lasting impression on the Trust and have contributed, in no small way, to making the Trust the thriving place that it is today.

Below:

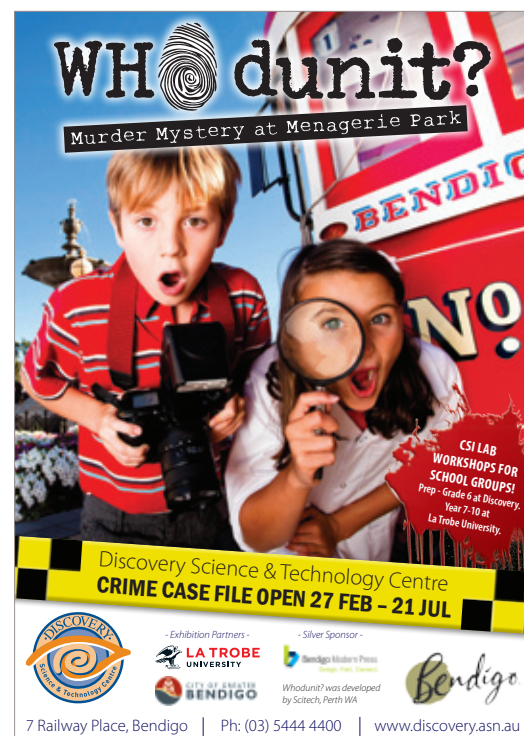
Trevor Lamb and Jill Moorhead both retired after dedicating 27 and 24 years respectively to The Bendigo Trust.

Central Deborah Gold Mine was represented at the Adventure Backpackers Expo in Melbourne.

Bendigo Tramways Santa Tram was once again fully booked.

Right: A3 posters were created to promote the *Whodunit?* exhibition to school groups.

The Bendigo Murder Mystery was developed in conjunction with the *Whodunit?* exhibition and encouraged visitors to take their new found detective skills to the streets of Bendigo.



FINANCE REPORT

Lisa Horan, Chief Financial Officer



Revenue from operating activities increased by 21%, with all revenue items experiencing some growth.

The Bendigo Trust reported total revenue of \$4,060,624 for the 2012/13 financial year, which is a 13% increase on the 2011/12 result. While costs also increased, they only grew by 10%, reaching \$4,124,510. This is a positive sign for the Trust and hopefully this trend will continue in 2013/14.

Financial Performance

For the financial year ended 30 June 2013, the net surplus of the Trust was a deficit of \$63,886. This is a 56% improvement on the deficit of \$145,632 reported for 2011/12. Total comprehensive income remained at the deficit of \$63,886, compared to a deficit of \$214,632 in the prior year after losses on the disposal of the investment property were recognised.

While results improved from the prior year, 2012/13 still provided The Bendigo Trust with some unexpected challenges financially. The *Whodunit?* exhibition at the Discovery Science and Technology Centre was predicted to provide good returns for the Trust, however the exhibition never seemed to quite take off and the Trust had to swallow high fixed costs that generated very little additional income.

Notable financial achievements for the 2012/13 financial year include:

- Revenue from operating activities increased by 21%, with all revenue items experiencing some growth.
- Admissions revenue increased by 4% to \$1,425,494. This increase came primarily from growth in admission numbers (*Whodunit?* prices were higher than normal Discovery prices, but visitation was far below expectation). Admissions revenue results by business unit were: Central Deborah Gold Mine, \$662,507; Bendigo Tramways, \$451,807; Discovery Science and Technology Centre, \$281,959; and Bendigo Joss House Temple, \$29,221.
- Food and beverage sales increased by 47%, from \$30,394 to \$44,725, with more groups taking up catering options such as crib lunches or birthday party hampers.
- Merchandise sales increased by 6%.
- Contract works revenue grew by 88%,

from \$396,908 in 2011/12 to \$745,198 in 2012/13. This was largely due to the restoration of Yarra Trams' City Circle Tram No. 959, which brought in \$553,206 of revenue. It was also a busy year for minor contract works, with Bendigo Tramways restoring Tram No. 861 for Parks Victoria and also continuing with work on Sydney Tramway Museum's Tram No. 611.

Work on the groundwater pumping and discharge project was the main focus for the year, with underground and surface works all-but-completed by the year's end. External funding received for this project included \$270,000 from the Department of Planning and Community Development (\$30,000 is yet to come) and \$200,000 from the City of Greater Bendigo.

The final grant instalment of \$200,000 from Regional Development Victoria for the Bendigo Tramways Depot redevelopment project was also received.

Financial Position

The total equity of the Trust declined by \$63,866, or 3%, to \$2,224,950 during 2012/13.

Large increases in current assets and current liabilities are present in the Balance Sheet, largely due to the nature of contract works for Yarra Trams, whereby significant labour and materials costs are incurred up to 60 days prior to related income being received.

At 30 June 2013, significant balances included:

- Accounts receivable and other debtors had risen 71% from 2011/12 to \$308,797. Yarra Trams accounted for \$247,477 (80%) of this.
- Accounts payable and other payables increased by 127% to \$514,025. This amount comprised accounts payable of \$342,930, accrued expenses of \$27,602,

employee entitlements (such as PAYG Tax and superannuation) of \$83,813, GST liabilities of \$10,199 and other payables of \$49,481. These high balances were caused by the long time lag between cash outflows and cash inflows for the Yarra Trams work.

- Cash on hand increased by \$21,947, slightly higher than the increase of \$21,029 in 2011/12.

In 2012/13 the Trust also continued to make improvements to a number of assets managed by the Trust, but owned by the City of Greater Bendigo. Significant improvements at the Bendigo Tramways Depot included laying a visitor path, installing security barriers and landscaping the staff courtyard. Major works were also completed on the tram overheads. At the Central Deborah Gold Mine, the mine cages were upgraded and studies were completed on ventilation and pumping. Each year, expenditure on improvements such as these is captured in the Income Statement of the Trust and the Balance Sheet of the City of Greater Bendigo.

Recognising the need to invest back in its own business, the Trust invested \$209,670 in property, plant and equipment in 2012/13, compared to only \$36,440 in 2011/12. Major purchases included a Mitsubishi Triton for the Central Deborah Gold Mine, an aluminium work platform, electronic lifting jacks and forklift for the Bendigo Tramways and a new server for the Central Deborah Gold Mine site. The Lab at Discovery benefited from plant and equipment improvements thanks to funding from Gandel Philanthropy. Discovery also commenced renewal works on exhibits thanks to support from the Helen MacPherson Smith Trust and the Community Foundation for Central Victoria. Renewal works were also performed on Tram No. 8, completed in December, and Tram No. 7.

Outlook for 2013/14

The 2013/14 financial year will be an exciting one for The Bendigo Trust. Key financial focuses will include:

- Increasing the financial sustainability of each individual business unit.
- Improving the understanding of how each business unit contributes to the overall

operation of the Trust, and also how the Trust contributes to the operation of each individual business unit.

- Expanding the financial knowledge of management and increasing accountability and responsibility at this level.
- Increasing the accuracy and transparency of reporting and the information contained therein.
- Improving long-term cash management strategies.

Below: The Lab at Discovery benefitted from upgrades thanks to funding from Gandel Philanthropy.

The Department of Planning and Community Development provided funding for the Groundwater Project at Central Deborah.





Central Deborah Gold Mine

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
- › Phil Altieri & Mark Teasdale Rail Tram and Bus Union
- › Association of Tourist Railways (Vic)
- › ASTEN
- › David Bannear, DSE
- › Bendigo Advertiser
- › Bendigo Bank
- › Bendigo Business Council
- › Bendigo Historical Society
- › Bendigo Marketplace
- › Bendigo Media Centre
- › Bendigo Modern Press
- › Bendigo Tourism
- › Bendigo Volunteer Resource Centre
- › Bendigo Young Inventors' Awards
- › Colin Burns, Mining Engineer
- › Howard Clarke OAM
- › City of Greater Bendigo
- › Tim Borchers, City Rail Solutions
- › Coliban Water
- › Community Foundation for Central Victoria
- › COTMA
- › Department of Primary Industries
- › Department of Sustainability, Environment, Water, Population & Communities (Cth)
- › H & J Doran-Specialty Sawn Timbers
- › Damian Drum MLC
- › Department of Education & Early Childhood Development (Vic)
- › Department of Industry, Innovation, Science, Research and Tertiary Education (Cth)
- › Department of State Development, Business & Innovation (Vic)
- › Department for Regional Cities (Vic)
- › Eaglehawk Heritage Society
- › East End Engineering
- › Maree Edwards MP
- › EPA Victoria
- › Barry Fitzpatrick
- › Gandel Philanthropy
- › Steve Gibbons MP
- › Good One Graphic Design
- › Goulburn Murray Water

- › Helen Macpherson Smith Trust
- › Heritage Victoria
- › Hume & Iser
- › Integrating Technology
- › La Trobe University
- › Noel Laidlaw, Mining Engineer
- › Launceston Tramway Museum
- › James Lerk
- › Stanley Liacos
- › Kathryn McKenzie
- › Melbourne Tramcar Preservation Assn
- › Minerva Heritage
- › National Library of Australia
- › National Trust (VIC)
- › North Central Catchment Management Authority
- › David Pell, AASB
- › Perth Electric Tramway Society
- › Powercor
- › Prime TV
- › Public Transport Victoria
- › Questacon
- › Regional Development Victoria
- › Gary Rowe, Safety Action Pty Ltd
- › Scitech
- › Scienceworks
- › John Smatlak
- › Greg Sutherland
- › Bob Styles, RJ Styles & Associates
- › Sydney Tramway Museum
- › Michael Taylor, Architect and Conservation Consultant
- › Victorian Tourism Industry Council
- › Tourism Victoria
- › Unity Mining
- › Wine Bank on View
- › WorkSafe
- › Yarra Trams
- › Y Service Club
- › VECCI

Life Members

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

Honorary Life Members

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

TRUST STAFF AND VOLUNTEERS

The Bendigo Trust Office

Chief Executive Officer	Thomas Seddon B. Arts, JurisDoctor
Executive Assistant to the CEO and Human Resources Manager	Faye Gair Dip Mgmt/HR
Chief Financial Officer	Lisa Horan B.Com, ASA Cert WTAA Marika Power
Finance Officer	
Sales and Marketing Manager	Evonne Oxenham B. Journalism
Marketing Officer	Tynille Thurlow B. Marketing
Visitor Services Manager	Trevor Lamb
Retail Manager	Andrea Stringer
Bookings Officer	Kathie Knight
Visitor Services Officers	Catherine Aylett Leanne Buddrick Lynne Jansen Laura Maywood
Archives Officer	Zoe Boyd Denis Fitzgerald Fiona Liebert Jill Moorhead Glenn Carter
Bendigo Joss House Temple Supervisor	Darren Wright

Below Left: Geoff Brown and Michael Lowther take to the tracks for the 40th anniversary of Vintage 'Talking' Trams.

Below Right: Catherine Aylett and Leanne Buddrick completed their Certificate IV in Customer Contact and Anita Bagley, Faye Gair and Karl Penrose completed their Diploma of Management.



Bendigo Tramways Manager

Manager	Jos Duivenvoorden Dip ASc Grad Dip Recreation Management Grad Dip Bus Admin
Team Leader – Workshop	Luke Jenkins
Team Leader – Engineering & Network Assets	Michael Campbell
Team Leader – Tram Services	Anita Bagley Richard Clarke
Engineer	Julie Cain Len Cutting Simon Jenkins Michael Lowther Maree O'Brien Emily Penhall Karl Penrose John Ritchie Anthony Rooke Paul Summersgill Wayne Taylor Les Woodfield
Depot and Workshop Staff	Anthony Cliff Darren Hutchesson Scott Kendall George Morrison Sam O'Brien John Penhall Scott Richardson Denis Rodda Damien Steel James Sutherland Don Webb



Central Deborah Gold Mine Manager

Manager	Karl Penrose Dip Mgmt
Mine Maintenance and Tour Staff	Tim Carr Elaine Douglas Robert Gray Georg Hein Daryl Hopgood Laurie Jensen Joel Pearce John Rofo Elliott Styles
	Semso Delibasic Peter Dumont Norm Harris Tamasin Hein Simon Jenkins John McNamara John Robinson Meryl Stone John Turner

Discovery Science & Technology Centre Manager

(Until January 2013)
(From January 2013)

Education Officers

Planetarium Officer

Discovery Staff	Scott Dealy Kaylee Fisher Jeremy Holt James McGregor James Pemberton Abe Steel Jessica Stone
	Lisa Gormley B. Ap Sc, Dip Ed David Holmes B. Science and Dip Ed Philip Spark B. Science, Dip Ed, M Sc, M Ed Emma Carter BSc BEng (Hons) Dip Ed Craig Kendal Teagan Brown Marcus Frank Gary Hillier Julie MacDonald Renee Mouritz Wendy Shea George Stirling Gary Watts

Volunteers

Volunteers	John Biele Allan Birchmore Tim Blythman Terry Boardman Bill Chan Jordan Clayton Sandra Collison Len Cutting Geoff Gardner Joseph Gould Michael Greenall Patrick Hannen Gary Hill Andrew Howlett William Jolly Peter Kilpatrick Mike McAlister Michael McEvoy Christine Male Paul Mayer Len Millar Dennis O'Hoy David Robinson Lloyd Roulston Ross Rowley Dale Sampson Ian Stimpson John Wells Ed Williams
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Volunteers	Ken Andison Russell Birch Peter Black Pat Boardman Geoff Brown Pat Clarkson Anthony Cliff Stan Cue Mikelle Dingwall Rod Gill Robert Gray Yvonne Greenall Jim Henderson Leo Hourigan Bruce Johnson Stephen Kirkpatrick John Leonard Sandra McCullough Michael McGowan John Male Marianne Midelburg George Morrison Debbie Penhall Greg Robinson Linda Rowley Daniel Ruthurfurd Frank Steele Scott Tamblyn John Whiting Lester Young
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People listed in *italics* have been made Honorary Members of The Bendigo Trust for 2012/13 in recognition of 100 or more hours voluntary service this past year. Thank you again to our Honorary Members and all of our volunteers.



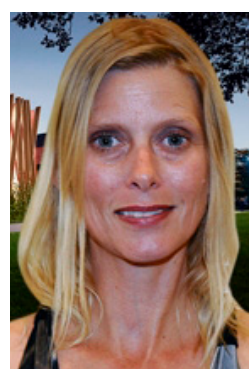
Left: Central Deborah Gold Mine was awarded a Certificate of Excellence for consistently high ratings on Trip Advisor. Central Deborah Gold Mine is currently rated as the No. 1 attraction in Bendigo with a 5/5 rating.

THE BOARD OF DIRECTORS



Mr Lloyd Cameron

Director/Chairman (Current term expires 2013). Board Member since February 2003. Qualifications: Electrical Engineer. Retired Chairman Central Victoria Area Consultative Committee. Past President, Castlemaine Rotary. Retired as Deputy Chairman of BRIT 2012. Former Chairman, North West Country Credit Union.



Cr Elise Chapman

Director (Council Nominee). Board Member since December 2012. Born in Melbourne, Cr Elise Chapman grew up and attended school in Echuca before moving to Bendigo some 25 years ago to complete three trades as a qualified Baker, Pastry Cook and Cake Decorator with Gillies Bros. Cr Chapman is an experienced small businesses owner/operator

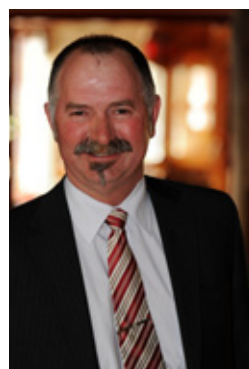
and a qualified real estate agent who up until recently ran her own, well known agency for over eight years. In 2005 she purchased a rural property in Marong where, along with her two children, son Royce and daughter Blayze she enjoys a rural lifestyle and farms a wide variety of farm animals including Grey Suri Alpacas. With a strong desire to serve her community Cr Chapman decided to put her real estate career on hold to stand for Council in the newly created Lockwood Ward at the 2012 election.



Mr Wayne Gregson

Director (Current term expires 2014). Board Member since 2010. Wayne has spent most of his working life as a journalist, in print, TV and radio newsrooms. Wayne was elected to the City of Greater Bendigo in 2004, representing the central Sandhurst Ward and was the Council's nominee on The Bendigo Trust board from 2004

to 2008. Wayne currently works as an electorate officer in the State Government. Wayne is a graduate of the Australian Institute of Company Directors and has a Cert IV in marketing. Past president and present board member Rotary Club of Bendigo Sandhurst.



Mr Noel Hobley

Director (Current term expires 2015). Board Member since 2012. Noel has spent most of his life working in the newspaper industry. That is apart from a stint managing a dairy farm and Certificate in Dairy Farm management, in the irrigation country of northern Victoria. Noel, Helen and their family moved to Bendigo in 1986 and

he worked his way through production and computer systems, advertising sales to General Manager in the local newspaper industry. All the time raising their three boys and studying an 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 Michael McGowan

Director (Current term expires 2013). Board Member since October 2007. Qualifications: Dip General Studies (Bendigo College of Advanced Education), Dip Ed (State College of Victoria Hawthorn), Cert IV Workplace Trainer and Assessor, Cert of Competency Tram Driver (Bendigo Tramways and Melbourne & Metropolitan Tramways Board). Volunteer Conductor, Driver,

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



Mr Craig Niemann

Director (Council Nominee). Board Member since 2011. Craig joined the City of Greater Bendigo as CEO in October 2005. 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 James Reade

Director (Council Nominee until October 2012). Board Member 2009-12. At the age of 19 James was elected in November 2008 as a City of Greater Bendigo Councillor (Sandhurst Ward) making him the youngest ever person to be elected as Councillor in Greater Bendigo. James served on other boards and committees throughout Bendigo

including B Central Advisory Committee, Bendigo Bluelight Committee, Bendigo Umpires Association and All Wheels United committee. James is a CFA volunteer with the Axe Creek Fire Brigade, a volunteer at Special Needs Family weekend camps with the Catholic Education Office and is an accredited senior football field umpire. He was the City of Greater Bendigo's Young Citizen of the Year in 2006.



Mr Thomas Seddon (ex officio)

Chief Executive Officer. Qualifications: B Arts (The Ohio State University), JurisDoctor (Cincinnati). Chief Executive of The Bendigo Trust since June 2005. Past Chairman Bendigo Tourism Board, Advisor to Asia/Pacific AIDS Congress (Japan 2005, Sri Lanka 2007, Indonesia 2009), World Health Promotion Conference (Vancouver 2007

and Zurich 2010) and 5th World Mental Health Promotion Conference (Melbourne 2008). Title Editor Title XXII, The Laws of Australia. Previously, CEO 18th World Conference on Health Promotion (2004), 6th International Congress on AIDS in Asia and the Pacific (2001), President 2013/14 of the Rotary Club of Bendigo and Board Member of Central Victorian Community Foundation.



Mr Clive Walker

Director/Chairman - Finance and Audit Committee (Current term expires 2014). Board Member since 2003. Qualifications: Fellow, CPA Australia (FCPA), Diploma of Business Studies (Accounting). Chair Discovery Advisory Board. 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 David Wright

Director/Deputy Chairman (Current term expires 2014). 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.



Mrs Helen Yorston

Director/ Company Secretary (Current term expires 2014). Board member since 2005. Manager of Bendigo Volunteer Resource Centre, Secretary & Public Officer of Loddon Mallee Interchange Inc, past President of Bendigo Easter Fair Inc., Secretary of Royal Victorian Association of Honorary Justices - Bendigo Branch, Trustee for Bendigo Community Theatre

& Arts Inc Public Fund, member of Executive Management Team - Bendigo Regional YMCA, member of Victorian Volunteer Resource Centres' Network, Secretary of Loddon Mallee Volunteer Managers Network.



Financial Statements

Year ended 30 June 2013

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Independent Auditor's Report	41

DIRECTORS' REPORT

Your directors present this Annual Financial Report on The Bendigo Trust (the Trust) for the financial year ended 30 June 2013.

Name	Position	Meetings Attended
Mr Lloyd Cameron (Chairman)	Director/Chairman	10/10
Mr Wayne Gregson	Director	8/10
Mr Michael McGowan	Director	10/10
Mr Craig Niemann	Director	8/10
Cr James Reade (resigned 23 October 2012)	Director	1/4
Mr Clive Walker	Director/Chairman: Audit Committee	10/10
Mr David Wright	Director/Deputy Chairman	7/10
Mrs Helen Yorston	Director/Company Secretary	8/10
Mr Noel Hobley (commenced 24 July 2012)	Director	8/10
Cr Elise Chapman (commenced 22 January 2013)	Director	3/5

Please note: Directors have been in office since the start of the financial year to the date of this report unless otherwise disclosed.

Operating result

The net result from ordinary activities of the Trust for the reporting period amounted to a Net Deficit of (\$63,886), compared to a Net Deficit of (\$145,634) in 2012.

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.

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

Significant changes in state of affairs

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

After balance date events

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

Dividends paid

The Trust does not have share capital and it is precluded from paying dividends.

Indemnifying officers

The 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
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings.

Remuneration report

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

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

Auditor's Independence Declaration

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

Signed in accordance with a resolution of the Board of Directors



L C Walker

Director, Chairman – Audit Committee

Dated this 24th day of September 2013

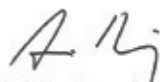
AUDITOR'S DECLARATION



Lead auditor's independence declaration under section 307C of the Corporations Act 2001 to the directors of The Bendigo Trust (a company limited by guarantee)

I declare that to the best of my knowledge and belief, during the financial year ended 30 June 2013 there has been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit
- any applicable code of professional conduct in relation to the audit.


Adrian Downing
Andrew Frewin Stewart
 61 Bull Street, Bendigo Vic 3550

Dated this 24th day of September 2013

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 2013

	Note	2013 \$	2012 \$
Revenue			
Revenue	2	2,901,128	2,573,947
Other income	2	1,159,496	1,026,954
Expenses			
Employee expenses	3	(2,068,626)	(1,825,601)
Cost of sales and services	3	(559,365)	(209,810)
Projects	3	(563,511)	(926,114)
Other expenses	3	(708,362)	(554,433)
Interest	3	(4,045)	(963)
Depreciation	3	(215,101)	(224,212)
Audit fees	3	(5,500)	(5,400)
Current year deficit before income tax		(63,886)	(145,632)
Tax expense		-	-
Net current year deficit		(63,886)	(145,632)
Other comprehensive income			
Net fair value gain/(loss) on disposal of investment property		-	(69,000)
Total comprehensive income for the year		(63,886)	(214,632)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash on hand	4	70,458	48,510
Accounts receivable and other debtors	5	308,797	180,901
Inventories on hand	6	124,079	115,249
Other current assets	7	13,697	5,009
Total Current Assets		517,031	349,669
Non-Current Assets			
Property, plant and equipment	8	2,748,446	2,753,877
Total Non-Current Assets		2,748,446	2,753,877
TOTAL ASSETS		3,265,477	3,103,546
LIABILITIES			
Current Liabilities			
Accounts payable and other payables	9	514,025	226,426
Employee provisions	10	224,425	257,336
Borrowings	11	60,000	60,249
Total Current Liabilities		798,451	544,011
Non-Current Liabilities			
Employee provisions	10	62,076	30,699
Borrowings	11	180,000	240,000
Total Non-Current Liabilities		242,076	270,699
TOTAL LIABILITIES		1,040,526	814,710
NET ASSETS		2,224,950	2,288,836
EQUITY			
Reserves		-	144,800
Retained surplus		2,224,950	2,144,036
TOTAL EQUITY		2,224,950	2,288,836

The accompanying notes form part of these financial statements

FINANCIAL STATEMENTS

The Bendigo Trust - ABN 39 005 014 175

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 30 JUNE 2013

	Retained surplus \$	Revaluation surplus \$	Total \$
2013			
Balance at the beginning of the year	2,144,036	144,800	2,288,836
Surplus for the year	(63,886)	-	(63,886)
Other comprehensive income for the year	-	-	-
Revaluation surplus	144,800	(144,800)	-
Balance at the end of the year	2,224,950	-	2,224,950
2012			
Balance at the beginning of the year	2,358,670	144,800	2,503,470
Surplus for the year	(145,634)	-	(145,634)
Other comprehensive income for the year	(69,000)	-	(69,000)
Revaluation surplus	-	-	-
Balance at the end of the year	2,144,036	144,800	2,288,836

STATEMENT OF CASH FLOWS YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Commonwealth, state and local government grants		1,315,875	1,260,000
Receipts from customers		2,591,948	2,287,629
Receipts from donations		15,520	14,853
Interest received		697	9,955
Payments to suppliers		(1,557,970)	(1,835,379)
Payments to employees		(2,070,159)	(1,833,572)
Interest paid		(4,045)	(963)
Net cash provided by/(used in) operating activities	14	291,866	(97,477)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	176,000
Payments for property, plant and equipment	8	(209,670)	(36,440)
Net cash provided by/(used in) investing activities		(209,670)	139,560
Cash flows from financing activities			
Repayment of loans		(60,000)	(21,054)
Repayment of lease liabilities		(249)	-
Net cash used in financing activities		(60,249)	(21,054)
Net increase in cash held		21,947	21,029
Cash on hand at the beginning of the financial year		48,510	27,481
Cash on hand at the end of the financial year	4	70,458	48,510

The accompanying notes form part of these financial statements

NOTES TO FINANCIAL STATEMENTS

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.

The financial statements were authorised for issue on 24 September 2013 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in 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.

Accounting Policies

a. Revenue

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

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. Inventories on Hand

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

c. Property, Plant and Equipment

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

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 the estimated recoverable amount, the carrying amount is written down immediately to the 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(f) 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 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 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 entity 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 ¹ / ₃ %
Discovery Assets	2.5%-33 ¹ / 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 recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

d. Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie 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 recognised as expenses in profit or loss immediately.

NOTES TO FINANCIAL STATEMENTS

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest 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 the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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 amount with a consequential recognition of an income or expense item 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 amount 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 other than 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.

Impairment

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 will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a “loss event”), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

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 into 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 undertaken all possible measures of recovery, if the 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 accounts.

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 entity 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 discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is 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 profit or loss.

f. Employee Provisions

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 provisions 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 provisions 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 outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

g. Cash on Hand

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

h. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold 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.

Accounts receivable 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(e) for further discussion on the determination of impairment losses.

i. 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST 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 on a gross basis. The GST components of cash flows arising from investing or financing activities, which are

NOTES TO FINANCIAL STATEMENTS

recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

j. Income Tax

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

k. Intangibles
Website Development and Software

Website development and software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Website development and software has an estimated useful life of between one and four years. It is assessed annually for impairment.

l. Provisions

Provisions are recognised when the entity 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.

m. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

n. Accounts Payable and Other Payables

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

o. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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.

p. 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.

q. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements.
- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (applicable for annual reporting periods commencing on or after 1 July 2013). AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:
- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.
Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.
Since the company is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities.

It is anticipated that the company will take advantage of Tier 2 reporting at a later date.
- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013). AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement. AASB 13 requires:
- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.
These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the company's financial statements.
- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013). These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The company does not have any defined benefit plans and so is not impacted by the amendment. AASB 119 (September 2011) also includes changes to:
- require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
(i) for an offer that may be withdrawn – when the employee accepts;
(ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
(iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets and if earlier than the first two conditions when the related restructuring costs are recognised.
These Standards are not expected to significantly impact the company's financial statements.
- AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2013). AASB 2012-2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard is not expected to significantly impact the company's financial statements.
- AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014). This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. This Standard is not expected to significantly impact the company's financial statements.
- AASB 2012-5: Amendments to Australian Accounting Standards

NOTES TO FINANCIAL STATEMENTS

arising from Annual Improvements 2009-2011 Cycle (applicable for annual reporting periods commencing on or after 1 January 2013). This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009-2011 Cycle by the International Accounting Standards Board, including:
- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: Presentation of Financial Statements and AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;
- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.
This Standard is not expected to significantly impact the company's financial statements.

NOTE 2: REVENUE AND OTHER INCOME

Table with 4 columns: Revenue, Note, 2013 \$, 2012 \$. Rows include Admissions revenue, Food and beverage sales, Merchandise sales, Contract works, Revenue from government grants and other grants, Total Revenue, Other income, and Total Other income.

Grants received for projects and most monies expended on projects are for works on assets owned by the City of Greater Bendigo.

NOTE 3: SURPLUS FOR THE YEAR

Table with 4 columns: Note, 2013 \$, 2012 \$. Rows include Expenses (Employee expenses, Wages, Superannuation, Workcover), Cost of sales and services, Projects, Other expenses, Total Expenses, 3a. Depreciation, and Total Depreciation.

Grants received for projects and most monies expended on projects are for works on assets owned by the City of Greater Bendigo.

NOTE 4: CASH ON HAND

Table with 4 columns: Note, 2013 \$, 2012 \$. Rows include CURRENT (Cash at bank, Cash at bank – reserves, Cash at bank – restricted, Cash on hand, Cash on hand – undeposited funds), Total cash on hand as stated in the statement of financial position and statement of cash flows.

NOTES TO FINANCIAL STATEMENTS

NOTE 5: ACCOUNTS RECEIVABLE AND OTHER DEBTORS			
	Note	2013	2012
		\$	\$
CURRENT			
Accounts receivable		308,608	180,901
Provision for doubtful debts		-	-
		<u>308,608</u>	<u>180,901</u>
Other debtors		189	-
Total current accounts receivable and other debtors		<u>308,797</u>	<u>180,901</u>

NOTE 6: INVENTORIES ON HAND			NOTE 8: PROPERTY, PLANT AND EQUIPMENT		
	2013 \$	2012 \$		2013 \$	2012 \$
CURRENT			<u>Tramways Infrastructure</u>		
At cost	124,079	115,249	At cost	2,602,975	2,602,975
	124,079	115,249	Less accumulated depreciation	(734,771)	(669,741)
				1,868,204	1,933,234
NOTE 7: OTHER CURRENT ASSETS			<u>Tramways Rolling Stock</u>		
	2013 \$	2012 \$	At cost	1,017,945	933,753
CURRENT			Less accumulated depreciation	(903,831)	(776,813)
Accrued income	44	1,191		114,114	156,940
Prepayments	13,653	3,818	<u>Plant and Equipment</u>		
	13,697	5,009	At cost	509,132	388,369
			Less accumulated depreciation	(294,443)	(258,317)
				214,689	130,052
			<u>Discovery Assets</u>		
			At valuation	151,579	85,728
			Less accumulated depreciation	(39,671)	(20,755)
				111,908	64,973
			<u>Discovery Assets (from merger)</u>		
			At valuation	552,400	552,400
			Less accumulated depreciation	(112,869)	(83,722)
				439,531	468,678
			Total Property, plant and equipment	2,748,446	2,753,877

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Infra- structure \$	Rolling Stock \$	Plant and Equipment \$	Discovery Assets \$	TOTAL \$
2013					
Balance at the beginning of the year	1,933,234	156,940	130,052	533,651	2,753,877
Additions at cost	-	23,056	121,432	65,182	209,670
Disposals	-	-	-	-	-
Depreciation expense	(65,030)	(65,882)	(36,795)	(47,394)	(215,101)
Carrying amount at the end of the year	1,868,204	114,114	214,689	551,439	2,748,446
2012					
Balance at the beginning of the year	1,998,263	237,179	130,445	575,762	2,941,649
Additions at cost	-	-	32,295	4,145	36,440
Disposals	-	-	-	-	-
Depreciation expense	(65,029)	(80,239)	(32,688)	(46,256)	(224,212)
Carrying amount at the end of the year	1,933,234	156,940	130,052	533,651	2,753,877

One trailer that was written down to \$NIL was sold for \$300 during the year. The profit on sale of assets of \$300 is disclosed in Note 2 of the accounts.

NOTES TO FINANCIAL STATEMENTS

NOTE 9: ACCOUNTS PAYABLE AND OTHER PAYABLES		
	2013	2012
Note	\$	\$
CURRENT		
Accounts payable	342,930	116,583
Other current payables		
– accrued expenses	27,602	0
Other current payables	83,813	100,646
– employee entitlements		
Other current payables – other	49,481	7,237
Other payables		
(net amounts of GST payable)	10,199	1,960
	<u>514,025</u>	<u>226,426</u>

NOTE 10: EMPLOYEE PROVISIONS		
	2013	2012
Note	\$	\$
CURRENT		
Annual leave entitlements	141,792	171,031
Long service leave entitlements	82,174	81,761
Time in lieu entitlements	459	4,544
	<u>224,425</u>	<u>257,336</u>
NON-CURRENT		
Annual leave entitlements	-	-
Long service leave entitlements	62,076	30,699
Time in lieu entitlements	-	-
	<u>62,076</u>	<u>30,699</u>
Total employee provisions	286,502	288,035

Employee provisions represent amounts accrued for annual leave, time in lieu and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and time in lieu 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 entitlements classified as current liabilities to be settled within the next twelve 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.

NOTE 11: BORROWINGS		
Note	2013 \$	2012 \$
CURRENT		
Lease – Ricoh Finance	-	249
Loan – City of Greater Bendigo	60,000	60,000
	<u>60,000</u>	<u>60,249</u>
NON-CURRENT		
Loan – City of Greater Bendigo	180,000	240,000
	<u>180,000</u>	<u>240,000</u>
Total borrowings	240,000	300,249

Loans provided by the City of Greater Bendigo are on an interest-free basis.

NOTE 12: EVENTS AFTER THE REPORTING PERIOD

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

NOTE 13: RELATED PARTY TRANSACTIONS

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.

	2013	2012
Note	\$	\$
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.		
Bendigo Bank¹		
Receipts - interest, sponsorships	4,503	4,235
Payments - bank charges, merchant fees, interest, credit card purchases	(71,301)	(44,450)
	<u>(66,798)</u>	<u>(40,215)</u>
City of Greater Bendigo²		
Receipts - grant funding, sponsorship	895,961	1,169,407
Payments - rates, insurance, loan repayments	(107,090)	(70,261)
	<u>788,871</u>	<u>1,099,146</u>
Total related party transactions	722,073	1,058,931

¹ One Director was an employee.

² One Director is the Chief Executive Officer, one other Director is a Councillor, one other former Director was a former Councillor.

NOTE 14: CASH FLOW INFORMATION

	2013 \$	2012 \$
Reconciliation of cash flow from operating activities with current year surplus		
Profit after income tax	(63,886)	(214,634)
<u>Non-cash flows:</u>		
Depreciation expense	215,101	224,212
Gains on disposal of property, plant and equipment	-	69,000
<u>Changes in assets and liabilities</u>		
(Increase)/decrease in accounts receivable and other debtors	(127,896)	(50,629)
Increase/(decrease) in accounts payable and other payables	287,599	(105,413)
(Increase)/decrease in accrued income	1,146	-
Increase/(decrease) in employee provisions	(1,533)	(7,971)
(Increase)/decrease in inventories on hand	(8,830)	(14,034)
(Increase)/decrease in prepayments	(9,835)	1,992
	291,866	(97,477)

NOTE 15: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, short-term and long-term investments, and receivables and payables.

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:

NOTES TO FINANCIAL STATEMENTS

	Note	2013 \$	2012 \$
Financial assets			
Cash on hand	4	70,458	48,510
Accounts receivable and other debtors	5	308,797	180,901
		379,255	229,411
Financial liabilities			
Accounts payable and other payables	9	514,025	226,426
Borrowings	11	240,000	300,249
		754,025	526,675

Financial risk management policies

The finance committee is responsible for monitoring and managing the company’s compliance with its risk management strategy and consists of senior board members. The finance committee’s overall risk management strategy is to assist the company in meeting its financial targets while minimising potential adverse effects on financial performance.

Specific financial risk exposures and management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the board’s objectives, policies and processes for managing or measuring the risks from the previous period.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The company does not have any significant credit risk exposures as a major source of revenue is the receipt of grants. Credit risk is further

mitigated as most of the grants being received are in accordance with funding agreements which ensure regular funding for a period of three-years or more.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 5.

The company has material credit risk exposure to one single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions, and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The company does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management’s expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Financial Liabilities due for payment (excluding estimated annual leave and deferred income)								
Accounts payable and other payables	514,025	226,426	-	-	-	-	514,025	226,426
Borrowings	60,000	60,249	180,000	240,000	-	-	240,000	300,249
Total expected outflows	574,025	286,675	180,000	240,000	-	-	754,025	526,675
Financial Assets – Cash flow realisable								
Cash on hand	70,458	48,510	-	-	-	-	70,458	48,510
Accounts receivable and other debtors	308,797	180,901	-	-	-	-	308,797	180,901
Total expected inflows	379,255	229,411	-	-	-	-	379,255	229,411
Net (outflow)/inflow on financial instruments	(194,770)	(57,264)	(180,000)	(240,000)	-	-	(374,770)	(297,264)

NOTES TO FINANCIAL STATEMENTS

Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that expose the company to interest rate risk are limited to cash on hand.

The company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Other price risks are insignificant for the company.

Sensitivity analysis

The following table illustrates sensitivities to the company’s exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

Note	Carrying Amount 2013 \$	Fair Value 2013 \$	Carrying Amount 2012 \$	Fair Value 2012 \$
Financial assets				
Cash on hand	(i)	70,458	48,510	48,510
Trade and other receivables	(i)	308,797	180,901	180,901
Total financial assets		379,255	229,411	229,411
Financial liabilities				
Accounts payable and other payables	(i)	514,025	226,426	226,426
Borrowings	(ii)	240,000	300,249	300,249
Total financial liabilities		754,025	526,675	526,675

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.
- (ii) Loans are on an interest-free basis and so are not discounted.

NOTE 16: ENTITY DETAILS

The registered office of the entity is:
The Bendigo Trust
76 Violet Street
Bendigo VIC 3550

	Profit \$	Equity \$
Year ended 30 June 2013		
+/- 1% in interest rates	+/- 705	+/- 705
+/- 2% in interest rates	+/- 1,409	+/- 1,409

Year ended 30 June 2012		
+/- 1% in interest rates	+/- 485	+/- 485
+/- 2% in interest rates	+/- 970	+/- 970

No sensitivity analysis has been performed on foreign exchange risk as the company has no material exposures to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (ie accounts receivable, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

The principal place of business is:

The Bendigo Trust
76 Violet Street
Bendigo VIC 3550

NOTE 17: MEMBERS’ GUARANTEE

The company is incorporated under the Corporations Act 2001 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 entity. At 30 June 2013, the number of members was 92.

DIRECTORS' DECLARATION

THE BENDIGO TRUST
ABN 39 005 014 175
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2013

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

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position of the company as at 30 June 2013 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.

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



L C Walker
Director, Chairman – Audit Committee
Dated this 24th day of September 2013

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 2013, 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 and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation 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. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 statements.

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

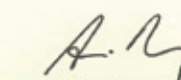
Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion the financial report of The Bendigo Trust (a company limited by guarantee) is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.



Adrian Downing
Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated this 2nd day of September 2013

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

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TAXATION • AUDIT • BUSINESS SERVICES • FINANCIAL PLANNING

NOTES:

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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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