



Winter 2014

Welcome to our Winter 2014 Shareholder Newsletter.

Staff News: Congratulations on 10 years of service.

Both Helen McCaskie and Tanya Niven began employment with Lockmore Financial Services Ltd at its inception in 2003. Both women worked in Elmore and Lockington **Community Bank**[®] branches and more recently have completed days at Rochester **Community Bank**[®] Branch. Tanya enjoys two days of work as a Customer Service Officer, which then gives her time to spend with her family and of course, her golf. Helen works four days a week as a Senior Customer Service Officer, having been promoted in May 2013. Congratulations Helen and Tanya on your dedication to Lockmore Financial Services Ltd and its customers.



Amy Hayes.

Amy Hayes has worked for Bendigo Bank for 10 years and more recently with Lockmore Financial Services for almost three years. Amy has recently been promoted from a Customer Relationship Officer to a Customer Relationship Manager due to her commitment to the Bank and its customers. Amy primarily works out of the Rochester branch and was announced as the Australian National Winner for Outstanding Service in 2013. Amy has forged an exciting career with Bendigo Bank.



Tanya McNiven and Helen McCaskie.

New staff member.



Paula Holmberg.

We are pleased to welcome Paula Holmberg to our company as our new Administration Assistant. Paula joined our staff in April 2014 and works out of the administration office on Tuesdays, assisting with office duties.

Paula is married to Colin, mum of three gorgeous girls, Emma 17, Clara 14 and Lucy 11.

She and her family live on a local dry land grain and hay property. She enjoys gardening and maintaining a busy lifestyle with her family.

Paula is also working part-time at White Hills Primary School in administration, is currently Secretary of the Rochester Swimming Club, and, in the past, has assisted at the Rochester Community House. Paula is enjoying her new role as one of the **Community Bank**[®] company team, working alongside Allannah Jenkins in the administration office.

Lockmore Financial Services Limited 62 Railway Place, Elmore VIC 3558 ABN 41 106 113 599

Directors: Louise Ross, Chris Dalton, Amanda Logie, Sandra Peacock, Kathryn Taylor, Graeme Wood, Corinne Holmberg, Brad Drust. Company Secretary/Non-Director: Allannah Jenkins.

Chairman's report.

I am pleased to give you a status update on the performance of your **Community Bank**[®] company.

Financial update

Your **Community Bank**[®] company is in a strong financial position as demonstrated by:

- Half-year financial statements for 31 December 2013, which show cash reserves of more than \$500,000 and a \$1,882 profit, and
- Lending and deposit business continues to grow, with our total business now standing at just under \$158 million.

Like any business, our **Community Bank**[®] company encounters challenges and we have been impacted by additional costs associated with the Rochester **Community Bank**[®] Branch.

These costs have been outlined in previous Annual Reports and at Annual General Meetings. We will let you know about our full year results for 30 June 2014 in our next newsletter and at our Annual General Meeting on Thursday 23 October 2014, 7.30pm at the Rochester 4Rs. We encourage all shareholders to take the opportunity to attend and hear from our Directors and Manager about your business.

Community grants

There have been a number of queries about why there was no grants program this year.

You may have heard about or participated in a previous general grants program. This is where our **Community Bank**[®] company makes a public call for grant applications from the community and an information night is held for potential applicants.

During the 2013/2014 financial year, the Board decided not to run a grants program. This decision was made because we had paid out more than \$180,000 in community grants, donations and sponsorships in 2012/2013. It was great to have so many worthy grant recipients in our community. However, based on the budget for this financial year, the Board realised that it could not sustain that level of giving this year.

Although we have had no general grants program in 2013/14, we have received a number of applications from community organisations throughout the year and we have paid out more than \$80,000 in community donations and sponsorships.

Some of these payments were for multi-year commitments that we made in prior years. For instance, our community can be proud of our two academic scholarship recipients Chloe Macague and Jason Smeaton who are now in the second year of their university studies. Your **Community Bank**[®] company is committed to support them for two years.

Share dividends

No dividend was paid in the last 12 months because in the 2012/13 financial year we made a loss of \$87,255. Please note that this figure would have been a profit if the **Community Bank**[®] company had not paid out \$180,000 in community grants, donations and sponsorships as detailed above. However, the payment of the grants was a strategic decision in order to stimulate business growth. The results of this decision are clearly demonstrated in the continued significant increase in our business over the last year.

Our **Community Bank**[®] company aims, with its profits, to support both its shareholders (through dividends) and the community (through grants, donations and sponsorships). Getting the right balance between dividends to individuals and return of funds to the community is always going to create some tension, particularly when shareholders have different views on the priority between these.

The primary reason for many shareholders to purchase shares in a **Community Bank**[®] company, is investment in their local community, and many view the receipt of a financial return on those shares as icing on the cake! However, in times when everyone is keeping a close eye on all their investments, dividends can become more important.

If you have any particular views on maintaining this balance, we would be very pleased to hear from you.

The reality is that due to the economic climate, in some years it will be difficult to fund both dividends and community projects.

It should be noted that in the first 10 years of the Elmore/Lockington/Rochester **Community Bank**[®] branches' operation, a dividend has been paid in five of those years.

The Board is yet to decide whether a dividend will be paid during 2014.

I hope that this will provide answers to some of the questions that shareholders are asking.

On a final note, our Board is committed to being transparent in its operations, and is dedicated to ensuring the best outcomes for our communities and our shareholders, while maintaining a sustainable business that will endure through both the good and the tough times.

Louise Ross
Chairman

Advance notice for AGM.

Elmore/Lockington/Rochester **Community Bank**[®] branches (Lockmore Financial Services Ltd).

Annual General Meeting

Thursday 23 October 2014

7.30pm

Rochester 4 R's

Echuca Road, Rochester

New Director Brad Drust.



Brad is an Elmore resident, having lived in town with his partner Meg for around 10 years. In their time here, two young sons, Tom (4) and Luke (2), have joined their family. Brad has a Bachelor of Arts (Geography)/Bachelor of Science (Environmental Science) and is currently

completing post graduate qualifications in Business Administration.

Brad works in natural resource management, with particular passion for river and environmental water management. He is currently an Executive Manager at the North Central

Catchment Management Authority, responsible for leading the planning and delivery of a wide range of projects within the Loddon and Avoca catchments, as well as compliance, strategy and community programs that operate across the region. A strong focus of these projects is to work closely with local communities to protect and improve the rich environmental assets of the area through on-ground works, environmental water management and community capacity building.

Brad brings to the Board a broad range of management skills, experience working on community projects and enthusiasm for getting involved in the community.

Scholarships.

Elmore/Lockington/Rochester **Community Bank**[®] company is delighted to provide financial support through its scholarship program to enable students in our district to pursue their dreams. A small community can greatly benefit from a young person's ability to further their education and perhaps one day, return to their home town to live and work.

In 2013, Elmore/Lockington/Rochester **Community Bank**[®] branches were delighted to offer Rochester students Chloe Macague and Jason Smeaton tertiary education scholarships to pursue their studies in paramedics and arts. Having successfully completed their first year, the bank is pleased to continue its commitment to both these students for their second year of studies.

Chloe and Jason are very deserving of their scholarships and we wish them all the very best as they continue their studies.

The Elmore/Lockington/ Rochester **Community Bank**[®] branches' Scholarship is part of the Bendigo and Adelaide Bank Scholarships Program, which is one of the largest privately funded scholarship programs in Australia, with more than 100 scholarships offered in 2013/14.

Our **Community Bank**[®] company has also offered sporting scholarships to students in our area. The 2014 sporting scholarship was awarded to Rochester's Kelly Shotton, for her outstanding achievements with AFL Youth Girls Football.

Elmore/Lockington/Rochester **Community Bank**[®] branches were delighted to provide a \$1,000 scholarship after Kelly

was selected as part of the AFL Victoria's Youth Girls State Academy. The scholarship enabled Kelly to attend training in Melbourne, which not only enhanced her football skills, but also provided education on nutrition, sports fitness, coaching, umpiring, attitude and community work, with the emphasis on development into young leaders within the football and wider community.

Through her outstanding achievements, Kelly was successful in selection for the National Under-18 Championships in Canberra in May. We take pride in our contribution, which has enabled this talented young footballer to achieve her dreams.



Branch snapshot

As at 31 May 2014:

Total number of accounts held	7,479
Total business held	\$155.8 million
Deposits	\$60.3 million
Lending	\$68.7 million
Other business	\$26.8 million

Elmore Field Days.

Elmore/Lockington/Rochester **Community Bank**[®] branches are proud to be strategic partners with the Elmore & District Field Days Inc, a partnership that helps both organisations in our common aim to support and nurture our community into the future.

As part of the agreement, Elmore/Lockington/Rochester **Community Bank**[®] branches, along with Bendigo Bank, support the Field Days Committee across the duration of the event in a variety of ways. One of the ways we do that is by supplying two ATMs for use by all patrons at the field days.

We also provide provision of staff and equipment outside normal business hours as required to ensure the tallying of all Field Days cash, and we supply mobile EFTPOS machines for use in the ticket boxes.

Elmore/Lockington/Rochester **Community Bank**[®] branches also provide an annual trophy for the Life Governor's Best Exhibit Award. Having sponsored the Ag Art Wear[®] Competition for seven years, Elmore/Lockington/Rochester **Community Bank**[®] branches were again delighted to become the major sponsor of the 2013 competition, to the value of \$5,250 (\$1,750 for flights and accommodation to New Zealand for the winners of Designer, Avant Garde and Under-21 sections).

Elmore/Lockington/Rochester **Community Bank**[®] branches look forward to continuing to support the Committee for the 2014 Field Days being held 7-9 October.

Marquee available for community events.

Our **Community Bank**[®] branch marquee is available for your community event.

Please contact Allannah at the admin office on 5432 6085 if your community event requires use of a marquee, there are three available for use.



Administration office.

Open Monday, Tuesday, Thursday and Friday, 8.30am – 5.00pm

44 Jeffery Street, Elmore 3558.

Contact: Allannah Jenkins

Phone: 5432 6085 Mobile: 0413 417 055.

Elmore/Lockington/Rochester **Community Bank**[®] branches

Elmore

62 Railway Place, Elmore VIC 3558

Phone: 5432 6706

Opening hours:

Monday to Thursday 9.30am – 4.00pm
and Friday 9.30am – 5.00pm

Lockington

9-11 Lockington Road, Lockington VIC 3563

Phone: 5486 2304

Opening hours:

Monday to Wednesday 10.00am – 2.00pm
Thursday to Friday 9.00am – 12 noon,
12.45pm – 4.00pm

Rochester

24 Gillies Street, Rochester VIC 3561

Phone: 5484 3290

Opening hours:

Monday to Thursday 9.00am – 4.00pm
and Friday 9.00am – 5.00pm

ATMs available at 62 Railway Place, Elmore
24 Gillies Street, Rochester

Website: www.bendigobank.com.au/elmore
www.facebook.com/bendigobank
twitter.com/bendigobank



bendigobank.com.au