



Message from the Board.

The highlight of the 2014/15 financial year so far has been the continued growth of the company's banking business portfolio, which now stands at \$205 million. Our **Community Bank**[®] branch team, led by Gerry Toovey, has achieved this against the backdrop of a challenging economic environment. The growth in banking business is the result of persistent hard work in promoting our products and services and methodically following up leads. It is not easy work, particularly in difficult economic times, but growth has been achieved due to the professionalism and determination of our people, whose continuing efforts deserve due recognition.

The last six months have seen substantial changes on the Board. Our long standing Chairman, Arthur Maddison, has stood down from the Chair but remains on the Board to offer his wealth of experience and deep-seated local community knowledge. The Former Vice-Chairman, Richard Stuart, has stepped up to the Chairman's position.

Another long-standing Board member and Company Secretary, Gerard Tonks, has taken well deserved retirement. Board member James Saunders has taken on the role of Company Secretary. Thanks are due to Gerard for his years of service to the company.

It is very pleasing to welcome four completely new members

to the Board, who have joined us following a process of public advertisement and community consultation last year.

Ben Fillery is a long time Hills resident who works as a Business Development and Marketing Manager in the mining sector. He is a very committed community member, coaching junior football and previously being involved with the Darlington Pony Club and the Bilgoman Swimming Club.

Susie Fox-Mooney comes to us with extensive experience in finance and taxation and a love of her community. Living in the Hills since 2005, Susie is involved with the Glen Forrest Residents and Ratepayers, Helena College and she runs the Darlington and Surrounds Fire Awareness Facebook page.

Tara Herbert is a dynamic young woman from Wooroloo who prides herself on thinking outside the box. She and her husband run a drilling supply business and she was instrumental in the redevelopment of Wooroloo Primary School, preventing the school's closure. Tara plays and coaches with the Mundaring Women's Hockey Club and is a past president of the Wooroloo Swimming Club.

David Earnshaw, like all our Directors, is a dedicated community member serving on the Boards at Helena College, Swan Chamber of Commerce and the Midland Citizens Advice Bureau. He is also on the committee for the Darlington Recreation Ground. David, a Lawyer, has been admitted to the Supreme Court of WA and the High Court of Australia. He and his wife own their own business; Earnshaw Lawyers and Sure Settlements.

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New Board members L-R: Ben Fillery, Susie Fox-Mooney, Tara Herbert and David Earnshaw.

Mundaring Community Financial Services 6895 Great Eastern Highway, Mundaring WA 6073 **ABN** 63 097 289 677 **Directors:** Dr Richard Stuart (Chairman), Matt Yacopetti (Vice Chair), James Saunders (Company Secretary), Arthur Maddison, Peter Hackett, Ben Fillery, Susie Fox-Mooney, Tara Herbert and David Earnshaw.

Message from the Board (continued).

The Board's process of community consultation has also resulted in the formation of a Community Engagement Committee (CEC), comprised of community members who support our **Community Bank**® branch and wish to help in promoting our community activities. The CEC will further strengthen links between the company and the community, together with providing assistance to staff and Board members at promotional events.

On a sad note, our former Board member, Bob Emery, passed away in April. We offer our condolences to his family and express our appreciation for his contribution to the company.

Late last year, we passed the threshold of \$1 million returned to our community in the form of cash payments and in-kind support such as printing, advertising and mobile EFTPOS transactions. This is a remarkable return to the community, and is only possible because the community as a whole continues to support our company by bringing its business to the Mundaring **Community Bank**® Branch.

We continue to support residents affected by the Parkerville, Stoneville and Mt Helena Bushfire through our Community Connect Program with monthly morning teas and bi monthly dinners. The dinners will finish in July however the morning teas will continue as long as they are of benefit to the community. This support was never intended to be a marketing strategy but we have found that our involvement has led to increased deposits and an increase in home and contents insurance sales.

The company is continuing with its strategy to open a **Community Bank**® branch in Midland. Our partner, Bayswater and Noranda **Community Bank**® branches, took the decision to withdraw from the project, which was unfortunate, but also an opportunity to review strategy for the way forward. The Midland Steering Committee remains enthusiastic and we are negotiating a new business model for the Midland project with Bendigo Bank.

A summary of the half yearly accounts to 31 December 2014, is on this page. Business conditions remain challenging, with historically low interest rates continuing to depress our margin income. With the economic outlook showing no immediate sign of improvement, the Board continues to take a cautious view of the future. However, with our absence of debt, robust reserves and growing business portfolio, we are in a position to take advantage of opportunities as they emerge.

Our relationship with Bendigo Bank remains strong and pro-active. Bendigo Bank is currently rolling out 'Project Horizon', which is the first major review of the **Community Bank**® model since its inception. Specific outcomes of 'Project Horizon' as they apply to our company will be advised to shareholders when the details have been presented by Bendigo Bank and fully discussed and agreed.

The shareholder dividend for 2014/15 was paid to our shareholders in December. Dividends were 12 cents per share, a total of \$67,844. This brings the total returned to shareholders to \$608,127 over 12 years.



Community Connect Christmas Dinner.

Mundaring Community Financial Services Ltd A.C.N. 097 289 677

Summary of financial results – half year to 31 December 2014

Statement of Financial Performance - Income Statement for six months

| | 31-Dec-14 \$ | 31-Dec-13 \$ |
|--|-----------------|-----------------|
| Revenue from ordinary activities | 773,280 | 938,817 |
| Employee expense | -497,534 | -438,812 |
| Depreciation and amortisation expense | -24,400 | -20,809 |
| Distribution and support to community | -52,593 | -91,542 |
| Other operating expenses for ordinary activities | -179,524 | -189,693 |
| Profit from ordinary activities | 19,229 | 197,961 |
| Income tax expense | -5,768 | -59,388 |
| Net profit after income tax | 13,461 | 138,573 |

Statement of Financial Position - Balance Sheet as at 31 December 2014 and June 2014

| | 31-Dec-14 | 30-Jun-14 |
|--|------------------|------------------|
| Current assets: cash & receivables | 1,298,574 | 1,398,121 |
| Non current assets: equipment & intangibles | 265,566 | 295,458 |
| Total assets | 1,564,140 | 1,693,579 |
| Current & non current liabilities: payables & provisions | -226,129 | -369,029 |
| Net assets | 1,338,011 | 1,324,550 |
| Equity: | | |
| Issued capital | 559,585 | 559,585 |
| Retained profits | 778,426 | 764,965 |
| | 1,338,011 | 1,324,550 |

These are summaries of the financial reports prepared by the Directors and reviewed by Auditors. The principle activity and focus of the company is the operation of Mundaring **Community Bank**® Branch, pursuant to a franchise agreement.

There are about 679 shareholders holding 565,700 shares in the company.

By order of the Board.

James Saunders CA
Company Secretary and Director

13 March 2015

Community news.

**Our contribution to the community does indeed keep getting bigger, and so does our partnerships within it!
Our cash sponsorships since July 2014 include:**

| | |
|-----------------------------------|---------|
| Glen Forrest Bowling Club | \$1,000 |
| El Caballo Golf Club | \$2,000 |
| Midland Puffin Billies Rugby Club | \$1,200 |
| Swan View Cricket Club | \$1,000 |
| Swan View Football Club | \$1,000 |
| Mundaring Football Club | \$150 |
| Scootarbor Challenge | \$1,500 |
| Mundaring Toy Library | \$500 |
| The Sierra Grandies | \$200 |
| Blue Gum Wildlife Rescue | \$2,000 |
| Parkerville Junior Football Club | \$500 |
| Mundaring Arts Centre | \$9,000 |



| | |
|--|---------|
| Seen and Heard – School Holiday activities | \$3,000 |
| Seen and Heard – Quick Flicks Festival | \$4,000 |
| Lake Leschenaultia Carols | \$1,000 |
| Trek the Trail | \$1,600 |
| John Forrest Darts Team | \$369 |
| Chidlow Primary School Triathlon | \$750 |
| Starlight Foundation | \$600 |
| Mad Tatters Morris Dance Group | \$200 |
| Darlington Junior Football Club | \$150 |
| Darlington Basketball Club | \$400 |
| Greenmount Primary School – 50th birthday | \$250 |
| Darlington Arts Festival | \$1,500 |
| Mundaring Bowling Club | \$500 |
| Perth Hills and Wheatbelt Band | \$2,600 |
| Parkerville Junior Cricket Club | \$150 |

Some of the highlights of our sponsorships this year include:

- Presenting Endeavour Awards to graduating primary school students.
- Awarding Trek the Trail colouring in competition winners a new bike.
- Seeing the seniors take part in the Scootarbor Challenge in their effort to fundraise for Beyond Blue.
- Witnessing participants at the Midland Young Parents Study Group pick their home-grown vegetables.



| | |
|--|----------|
| Midland Young Parents Study Program | \$1,000 |
| Glen Forrest Christmas Gathering | \$500 |
| Swan Woodturners | \$750 |
| Mundaring Woodturners | \$750 |
| Swan Community Choir | \$250 |
| Swan View SHS – Year 10 scholarships | \$1,000 |
| Eastern Hills SHS – Year 10 scholarships | \$1,000 |
| 11 Primary School Endeavour Awards | \$1,050 |
| Mundaring Community Men's Shed | \$10,000 |



| | |
|------------------------------------|---------|
| Eastern Hills Cricket Club | \$500 |
| Darlington Chamber Music Series | \$1,000 |
| Honey Bee Festival | \$1,500 |
| Mundaring in Transition | \$750 |
| Hills Choir | \$1,200 |
| Hills Football Association | \$2,000 |
| Hills Rangers Football Club | \$2,500 |
| Mundaring Chamber of Commerce | \$6,000 |
| Inkpen Volunteer Bush Fire Brigade | \$2,229 |
| Jane Brook Catchment Group | \$5,000 |



Branch report.



The current economic climate, with lower cash rates, has certainly tightened our income margins over the last 12 months.

Having said that the staff have had a lot of training over the last 12 months in product and knowledge on how to engage with our customers. This has, I believe, given them the confidence to engage with our customers to offer products which will not only protect them but also increase

their wealth. This is an essential aspect, as I strongly believe that it is important to ensure all our customers are well protected for the future with quality insurance and wealth products.

So if you have not had what I call a "Health Check" on your Car Insurance, Home Insurance, Superannuation and wealth product please ask one of my fabulous staff. On the back of this it is pleasing that in February we won 'Branch of the Month' for Great Eastern Region to add to our win in October. That's right twice in eight months. I believe that I am very lucky to have the best staff in WA and I am very proud of them all.

And finally thankyou for being a shareholder.

Gerry Toovey
Branch Manager

Get set for your next big trip - on us!*

At Bendigo Bank we can help you get set for your next holiday.

We can help you with foreign cash in more than 30 currencies, pre-paid travel cards, traveller's cheques, travel insurance as well as access to specialist advice on telegraphic transfers and foreign currency drafts.

We're more international than you think.

And just by purchasing foreign exchange or international travel insurance products before 31 July you go in the draw to have a holiday on us!

We're giving away a 15 night European River Cruise thank to APT.

You'll enjoy some of the most amazing cities from Budapest to Amsterdam,

exploring five countries and 16 towns and villages as you cruise the European waterways.

So matter where you're going, how long you're going for or whatever kind of traveller you are we have everything you'll need to have the holiday of a lifetime.

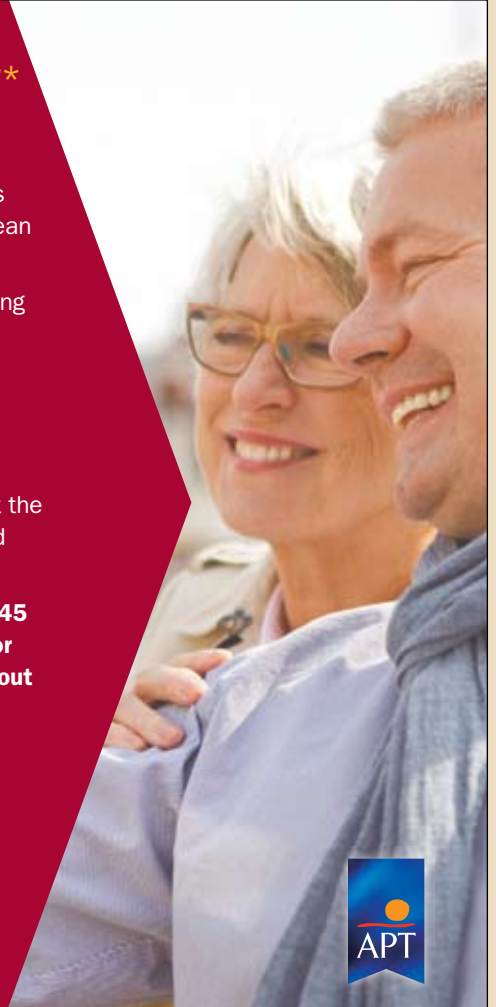
So speak to our friendly branch staff today about your travel plans and get the most out of your holiday money – and you could win your next trip on us!

Drop into your nearest branch at 6945 Great Eastern Highway, Mundaring or phone 9295 0744 and talk to us about your travel needs.

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Bigger than a bank.

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Mundaring **Community Bank**® Branch



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Mundaring Community Bank® Branch

6945 Great Eastern Highway, Mundaring WA 6073 Phone: 9295 0744

Opening hours: Monday to Friday 9.00am – 5.00pm and Saturday mornings 9.00am – 12 noon

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

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