

Trafalgar & District Financial Services Ltd

ABN 86 102 573 222

Shareholder Newsletter

March 2012

Dear Shareholder,

This newsletter will bring shareholders up to date on matters within the company and to advise you of the information session to be held in May to enable shareholders and company and **Community Bank**[®] personnel to meet informally.

HALF YEARLY FINANCIAL STATEMENT

The board is pleased to announce that income has increased for the first six months of the 2012 financial year above the same period for 2011.

Marketing and sponsorship expenses increased due to the production of the “Welcome to our community” DVD and promotion bags. There was also an increase in sponsorship provided to the local community. General administration costs for the first six months of the year included consultants fees for the stakeholder survey and report, as well as assisting the board in its strategic planning. Employee benefit expenses rose due to standard pay rises to staff as well as a staff allowance paid.

As a result of the above additional expenses, the net profit for the first six months of the 2012 financial year is lower than the previous financial year. A summary of the half yearly profit and loss statement and balance sheet is produced below. The full report will be available on our website http://www.bendigobank.com.au/public/community_bank, select ‘**Community Bank**[®] Branches’ on the left side of the page then scroll down to ‘Trafalgar & District’, then select ‘Investor relations’



Trafalgar & District Community Bank[®] Branch Student Scholarship recipients (from middle left) Ashlee Matheson, Nick Healy and Megan Brereton, receive the news of their scholarships from Community Bank[®] branch manager Phil Drummond and director Di Harrison

GRANTS AND SPONSORSHIP

The company continues its strong investment in local communities through its grants and sponsorship programmes, with a total of \$477,150 provided to 80 community groups or individuals since the **Community Bank**[®] branch opened in late 2003. During this financial year to date, we have provided \$55,042 in sponsorship to 24 community groups and \$6000 in grants to three students (see below), a total of \$61,042.

We have just commenced our student scholarship programme, with three students initially each receiving \$2000 to further their post-secondary school education. The student scholarship programme enables students who demonstrate special circumstances which might mean that a university degree or other post-secondary education is out of their reach (“special circumstances” means high achieving year 12 students that are community-minded and who are financially and/or socially disadvantaged).

**Board of Directors, Trafalgar & District Financial Services Limited,
P.O. Box 391, Trafalgar 3824**

Mick Bourke (chairman), Gary Smith (deputy chairman), Mel White (company secretary/treasurer),
Jane Coats, Chris Hardy, Di Harrison, Wayne McArdle, Peter Marx

It is envisaged that the student scholarship will sponsor up to three new students each year, with previous sponsored students still at university or TAFE eligible for additional sponsorship if their special circumstances continue and they satisfactorily complete their year's course. Therefore, from the third year of this programme, up to nine students could be part of our student scholarship programme each year.

COMMUNITY BANK® BRANCH RE-STRUCTURE

You may have noticed in a recent media release that there has been a re-structure at the branch due to the resignation of Kim Wicklander. Briony Schembri has joined the branch as its inaugural Customer Relationship Manager. Briony commenced with the **Community Bank®** branch in January following the departure of Kim, who has moved back to Queensland.



Briony has a strong background in banking, having worked with Bendigo Bank at Townsville, Warragul and most recently at Moe. She has a strong history of working with customers to meet their needs and is a strong supporter of the **Community Bank®** model. Briony's role at the **Community Bank®** branch will include everything from opening new accounts to taking loan applications.

INFORMAL SHAREHOLDER MEETING WITH BOARD AND BRANCH MANAGER

You will recall in the last Shareholder Newsletter I advised that the company will hold an informal meeting with shareholders as a result of the shareholder survey held earlier in 2011. In that survey, some shareholders suggested that there be an informal meeting in addition to the more formal annual general meeting. The meeting will have two broad purposes:

- To provide shareholders with an overview of the company structure; and
- To provide an opportunity for shareholders to meet with directors, branch manager and staff in an informal environment.

The evening will enable shareholders to meet the company's directors, company staff, and the **Community Bank®** branch manager and staff in an informal environment to discuss any matters shareholders may wish to raise.

I encourage all shareholders to consider coming to this meeting, which will be held on Tuesday, 15 May 2012 commencing at 7.00pm at Trafalgar Technology Centre, Princes Highway, Trafalgar. If you wish to attend, please complete the attached form and return it in the self-addressed envelope for catering purposes.

MICK BOURKE
CHAIRMAN

For more information on our **Community Bank® branch services,
please call into
103a Princes Highway, Trafalgar
or ☎ (03) 5633 2783**

Trafalgar and District Financial Services Limited
ABN 86 102 573 222
Income Statement
for the half-year ended 31 December 2011

| | 31-Dec 2011 \$ | 31-Dec 2010 \$ |
|---|-------------------------------|-------------------------------|
| REVENUE | | |
| Revenue from ordinary activities | | |
| Income from operations | 441,861 | 434,256 |
| Interest received | 14,884 | 12,691 |
| | 456,745 | 446,947 |
| EXPENSES | | |
| Employee benefit expenses | 169,630 | 154,653 |
| Depreciation | 5,336 | 4,447 |
| Amortisation of franchise fee | 6,886 | 6,886 |
| General administration | 89,144 | 63,186 |
| Leasing costs | 3,475 | 4,173 |
| Audit services | 700 | 686 |
| Advertising and promotion | 3,048 | 3,763 |
| Marketing and sponsorships | 51,014 | 36,901 |
| Occupancy costs | 21,747 | 21,451 |
| | 350,980 | 296,146 |
| Profit before income tax expense | 105,765 | 150,801 |
| Income tax relating to ordinary activities | (28,672) | (47,327) |
| | 77,093 | 103,474 |
| Profit for the period | 77,093 | 103,474 |
| Profit attributable to members of the entity | 77,093 | 103,474 |
| Earnings per share (cents per share) | | |
| - basic for the period (cents) | 14.5 | 19.4 |
| - diluted for the period (cents) | 14.5 | 19.4 |

We are open:
Monday-Friday 9.00am – 5.00pm
Saturday 9.00am - 12.00noon
 **(03) 5633 2783**

Trafalgar and District Financial Services Limited
ABN 86 102 573 222
Balance Sheet
as at 31 December 2011

| | 31-Dec 2011 \$ | 30-Jun 2011 \$ |
|--------------------------------------|-------------------------------|-------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash assets | 597,579 | 544,560 |
| Receivables | 80,024 | 78,260 |
| Other | 3,744 | 7,859 |
| Total Current Assets | 681,347 | 630,679 |
| Non-Current Assets | | |
| Intangibles | 26,168 | 33,054 |
| Plant and equipment | 96,290 | 74,558 |
| Deferred tax asset | 9,012 | 9,254 |
| Total Non-Current Assets | 131,470 | 116,866 |
| Total Assets | 812,817 | 747,545 |
| LIABILITIES | | |
| Current Liabilities | | |
| Payables | 38,807 | 27,021 |
| Provisions | 55,787 | 42,141 |
| Total Current Liabilities | 94,594 | 69,162 |
| Non-Current Liabilities | | |
| Provisions | 10,535 | 9,254 |
| Deferred tax liability | 1,123 | 2,358 |
| Total Non-Current Liabilities | 11,658 | 11,612 |
| Total Liabilities | 106,252 | 80,774 |
| Net Assets | 706,565 | 666,771 |
| Equity | | |
| Issued Capital | 532,859 | 532,859 |
| Retained Earnings | 173,706 | 133,912 |
| Total Equity | 706,565 | 666,771 |

http://www.bendigobank.com.au/public/community_bank/community_bank_branches.asp
then scroll to 'Trafalgar & District'

Trafalgar & District **Community Bank®** Branch

Supporting local communities

 **Bendigo Bank**