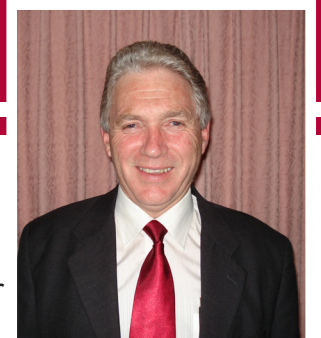


# Trafalgar & District Financial Services Ltd

ABN 86 102 573 222

# Shareholder Newsletter

May 2010



Dear Shareholder,

The board of directors is pleased to provide you with an update of activities for the current financial year up to the end of March 2010.

Trafalgar & District **Community Bank**<sup>®</sup> branch is exceeding expectations in relation to its financial results for this financial year. The board has six new directors bringing a wide breadth of skills and experience. It has commenced implementing a number of the governance structures developed over the past 12-18 months, and is strengthening the strategic planning processes.

## Financial Update

### Profit

The company is pleased to advise the half-year audited profit is above expectations, with \$88,305 as at 31 December 2009. This is an increase of more than \$20,000 compared to the first six months to 31 December 2008.

The half yearly profit represents an earning of 16.6 cents per share for the period, compared to an earnings rate of 12.8 cents per share for the same period ending December 2008.

A copy of the half-yearly financial report may be downloaded from our website (see last page for the link) or by contacting the company secretary.

The board expects a profit of approximately \$210,000 before tax this financial year. It had originally budgeted for a profit of \$149,000.

Our business continues to grow, with total business at 31 March 2010 reaching more than \$75.6 million. At the end of last financial year our total business was \$66.4 million. Our customer account numbers have continued to increase, with 3652 accounts on 31 March 2010, compared to 3465 on 1 July 2009.

### Dividend

The board was extremely pleased to announce its first dividend last year and will determine the 2010 dividend later this year.

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

Mick Bourke (Chairman), Peter Cooke (Deputy Chairman), Peter Marx (Secretary), Michelle Robertson (Treasurer), Chris Badger, Sally Brown, Glenn Fozard, Prue Hall, Joanne Porter,

Our first experience with the intricacies of providing dividends proved that it is very time consuming and its administration comes at a cost to the company. The former is a levy on the board, and the latter is an acknowledged cost of the business. However, to reduce the time and cost involved, a form is enclosed with this newsletter that permits you to receive your dividend directly into your bank account. I encourage you to assist the board by completing the form and returning it to our share registry.

## Directors

Six new directors were appointed at the company's annual general meeting in November. The new board members are Chris Badger, Sally Brown, Glenn Fozard, Prue Hall and Joanne Porter. In addition Michelle Robertson was appointed, having been co-opted during 2009. This has meant a substantially new board with only Peter Cooke, Peter Marx and me previously been elected by shareholders.

The new board brings a mix of skills, experiences and perspectives, making it well-balanced, and capable to manage the affairs of the company.

You may recall when I took over the chair in late 2008, I was concerned that the board did not have any female directors. It is very pleasing to see that the company now has four highly talented women on the board. We now have directors with experience in investment, accounting, management, including senior executive management, and education, as well as those who are involved in the community.

There is still one vacancy on the board. The directors have identified that a person with human resource experience is required to enable the board to meet its requirements towards the ongoing development of both its directors and its staff. We are in the process of identifying an appropriately qualified person to fill that vacancy.

The board elected its office bearers at its December 2009 meeting. They are:

Mick Bourke (chairman)

Peter Cooke (deputy chairman)

Peter Marx (company secretary)

Michelle Robertson (company treasurer)

## Communicating with shareholders

### Annual Report and other communication

The Corporations Act permits companies to provide their annual reports and other correspondence to shareholders through the company website as well as electronic, such as email, or paper-based copy. The board has determined that for the time being, it will provide all correspondence to you via Australia Post. However, it will be communicating with you later this year to see what your preference is to receiving communication from the company.

For more information on our Community Bank® branch services, please call into

**103a Princes Highway, Trafalgar**

or  (03) 5633 2783

## **Survey**

The board is required to manage the company on behalf of you, as one of its shareholders. We are currently largely unaware of your needs and expectations regarding the company. Consequently, we propose to develop a survey in the next few months, which will enable the board to better meet your needs and expectations. It is not meant to be onerous and should only take a few minutes to complete.

## **Strategic Plan**

The board considers formal planning an integral part of the good governance of the company. The board is continually reviewing its planning processes to ensure that identified actions are implemented. It is pleasing to report that a number of the actions identified in the 2009/2010 plan were implemented.

The board has been preparing a new strategic plan over the past two months. At the time of printing this newsletter, the plan was not completed. Interested shareholders may obtain a copy of the plan on our website or by contacting the company secretary.

## **Staff**

### **Bank staff**

The company has decided to employ another staff member to meet increased demand and a change in its structure. The selection process for the new staff member is well underway, with an appointment expected in June.

The company continues to be well serviced by branch manager, Bryan Leaf, customer relations officer, Lorraine Morland and customer service officers, Sharon Bowyer, Michelle Galea and Tiffany Jones.

Feedback from customers indicates our staff members provide an excellent service, and are well respected. The board wants to build on that knowledge and will survey the branch's customers and local residents to see if we can increase our service levels. This survey is in addition to the shareholder survey.

### **Administrative support to the Board**

The board, as part of its planning process last year, identified the need for increased administrative support. Some directors, in particular those on the executive, are spending too much time on operational matters, taking them away from the more important task of taking a strategic approach to the management of the company.

The new administration officer is Melaine White. A qualified accountant and local Trafalgar resident, Mel brings a range of experiences and knowledge to the position. This is particularly relevant, as many of her duties will involve financial data entry and assisting in company secretarial duties. We welcome Mel aboard. At the same time, we thank Fiona Beckley, who took over as minute secretary early last year as we developed the new position. The minute secretary functions form part of the new role.

**We are open: Monday-Friday 9.00am – 5.00pm  
Saturday 9.00am - 12.00noon**

 **(03) 5633 2783**

## Contributions to Community

Trafalgar & District **Community Bank**<sup>®</sup> branch has continued to support community activities, providing \$27,000 to local community groups this financial year to 31 March 2010. Since opening in 2004, the branch has returned more than \$191,000 to the local community. A further \$44,000 has been budgeted for community distribution this financial year.

The Youth Foundation, which is the branch's major funding initiative, has been extended for a further 12 months. The state government will bear the full cost of the additional length of this project. The company, by the end of this financial year, will have contributed more than \$100,000 towards the project.

The board will consider procedures for the provision of grants later this year. This will be the next major initiative in the life of our company. Grants differ from sponsorship in that a grant is an investment into the community by funding beneficial community projects without expecting business growth in return. Sponsorship is an operating expense that supports a local club or activity and is committed to on the understanding that the gesture will be reciprocal.

Consequently, it is expected that grants will be for sums of money potentially much greater than for sponsorship.

## Conclusion

The company is commencing another exciting period. This year saw the company enter its first year of not being in debt. This will result in the announcement of our grants process later this year or early next year.

This will lead to even greater involvement by the Trafalgar & District **Community Bank**<sup>®</sup> branch in our community.



Mick Bourke  
Chairman

Trafalgar & District **Community Bank**<sup>®</sup> Branch



[http://www.bendigobank.com.au/public/community\\_bank/community\\_bank.asp?name=trafalgar](http://www.bendigobank.com.au/public/community_bank/community_bank.asp?name=trafalgar)  
[www.bendigobank.com.au](http://www.bendigobank.com.au) Bendigo Bank Ltd, Fountain Court, Bendigo VIC 3550

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