



Mundaring Community  
Financial Services Ltd

# Shareholder Focus

## An introduction to our new directors

### Andrew Wells

Andrew is a long time Hills resident in Mundaring, with his family first settling in the area in 1911, and is committed to the company, joining as a shareholder in 2001. Andrew has experience in small business management and community work, with membership of vintage car clubs and the Mundaring Historical Society. Interest in company shares and options: 4,850 shares.



### Richard Stuart

Richard is a consulting engineer working in the oil and gas industry, both in Australia and overseas. He has a PhD in engineering and has extensive business experience. Richard has a keen interest in current affairs. Interest in company shares and options: 500 shares.



### James Saunders

James is a chartered accountant and has many years experience in company administration and accounting with PriceWaterhouseCoopers and RSM Bird Cameron. James is a Darlington resident and has quite an understanding of the **Community Bank**® model, having been with the steering committee for the Kalgoorlie – Esperance **Community Bank**®. Interest in shares and options: nil.



### Paige McNeil

Paige works as a consultant in governance, training and company administration with experience in company management at a senior level. Paige has tertiary qualifications in corporate governance as well as education and training, and she is a graduate of the Australian Institute of Company Directors. Paige lives in Stoneville with her family. Interest in company shares and options: nil.



### Bob Emery

Bob began his working life as a commissioned officer in the Royal Navy before emigrating to Australia and holding senior positions in port authority management in the Pilbara and Albany. Bob was an elected councillor on the Shire of Mundaring (1987 – 1991) and in the City of Albany (2000 – 2007). Bob has a keen interest in the **Community Bank**® model and lives in High Wycombe. Interest in company shares and options: nil.



### Peter Hackett

Peter is a semi-retired electronics technician who currently operates a small business based in Wooroloo servicing the mining industry and offering radio technician services. Peter is an active member of the community including the Variety Club Bash, Chidlow Hall and Heritage Group, and the Volunteer Bush Fire Brigades. Interest in company shares and options: nil.



## Company Update

It seems like a long time since we updated you and it has a few months since our AGM; how time flies! The board has been busy since the AGM, reconvening and focussing on building the business, with the branch returning to a profitable position achieved by improved margins and a stabilising economy. At the AGM in November, we advised that the company had been effected by the 'Global Financial Crisis and it is pleasing to see the company's position recovering. You'll find the half yearly financial statement summary on page 3 which demonstrates the recovery from last year's loss.

Income has improved primarily because the Reserve Bank interest rates have stabilised and this is flowing through to our franchise income profit share. In addition, the branch has continued to built the portfolio with increased deposits and a focus on enhancing the business base, with Gerry Toovey and Graeme Samuels concentrating on this aspect. Of course, our franchise partner Bendigo Bank has also demonstrated an improved position, which supports our strong partnership.

The board has welcomed six new directors, appointed to fill the casual vacancies after the retirement of several directors in 2009. Joining Arthur Maddison, Gerard Tonks and Ron Shannon are Andrew Wells, Richard Stuart, James Saunders, Paige McNeil, Bob Emery and Peter Hackett. Each brings fresh ideas to the company and this has renewed the energy of the board and strategic direction moving forward. There is a brief introduction in the newsletter, and I encourage you to read on and find out more.

During the past, difficult year the corporate arm of the business was reviewed and the decision made to dispense with the position of Managing Director. This resulted in the redundancy of Phil I'Dell, who also retired from his position as Chairman on 30 September, 2009. We were sad to see him go, and the passion that he brought to the company in its founding years is very much appreciated. Phil will be missed by the company and the Bendigo Bank **Community Bank**® network. Shortly before the AGM, Frank Kamp, another long serving director, also retired as he had relocated to South Australia. To meet the management needs of the company, the role of Corporate Manager was created and I was appointed. This role includes the responsibilities of community investment, marketing, corporate administration, share registry and facilitating community sponsorships.

The board decided to regulate community support for the first quarter of the financial year to ensure the company recovered and that the financial position improved. It also allowed the company to concentrate on business and



National Masters Athletics - Cross Country Winners

review of how we could better assist the community. We did continue with our very important sponsorship of the Chidlow Marsupial Hospital and we sponsored the KRW Treanor Poetry Award with Katherine Susannah Pritchard Writers' Centre in October 2009. The community EFTPOS facility is proving to be a great way for community groups to work with Bendigo Bank to manage their fundraising efforts and so next time you're out at a registration or enrolment day, you may see us there, manning the EFTPOS stand!

Now that the economy is improving along with our bottom line, we are starting to consider how we can build the business into the future and reinstate our community support processes. The board will be working on this strategy over the next few months with Gerry and I. I'm pleased to see that the economy itself is improving and our customers in the community are finding business better. By all reports, the improvement is reaching our small business sector which is a good sign.

Finally, we've celebrated our branch's 8th birthday; Mundaring opened in February 2002 and has been busy ever since. The wonderful branch staff provide great service and they really are the backbone of the company. Without their dedication and Bendigo Bank's great **Community Bank**® concept, the Hills community would not have the wonderful local bank that they enjoy.

If you have any queries or ideas about the community support, I am always happy to discuss them so please contact me.

**Allison I'Dell,**  
Corporate Manager



Mundaring Community  
Financial Services Ltd

ABN 63 097 289 677

### Branch address:

6945 Great Eastern Highway, Mundaring WA 6073  
Telephone: (08) 9295 0744

### Administration address:

10 Burgess Street, Midland WA 6056  
PO Box 3443, Midland WA 6056  
Telephone: (08) 9274 6833  
Facsimile: (08) 9274 6855  
website: www.mundaringcommunitybank.com.au

## Branch Report

I'm pleased to see that the economic conditions are improving and this is starting to show in our company position. Business at the branch is still very busy, with more than 100 new accounts being opened each month; an outstanding achievement for a branch that has been open for 8 years! Of course, we offer great service and we are local, but the support from our community still amazes me.

The portfolio is growing, now at \$147million, and this will continue to grow as our business matures. Graeme continues to build our small business portfolio and I'm pleased with the progress being made. We have good support from the local business community and it's great that we have such a good profile in our community. The staff in the branch continue to work hard and offer the customers excellent choice and information to help them make decisions about what is available for them in the Bendigo Bank product range. They are a great team so thanks to Ann, Leanne, Taryn, Leah, Sandra, Graeme and our newest member, Helena. We said goodbye to Vin Fordham Lamont in February; Vin has taken a position with the state government and we wish him well. We will be welcoming a new staff member in March so do say hello to Helena and the new staff member

The stabilising of interest rates is helping customers make more informed decisions about their finances, and this in turn is helping to stabilise our business income. The effects of the GFC are slowly reducing as the economy starts to move again, and I expect that the recovery underway will continue, although it may be a little bumpy for a while. Small business is still not confident of the recovery but conditions are improving and I look forward to better times.

I welcome your calls about business and if you want to discuss your financial needs, please come into the branch and see one of our friendly staff – they'll be happy to help.

**Gerry Toovey, Branch Manager**



## Branch Staff

L-R: Gerry Toovey, Taryn Kendall, Ann Templeton, Leah



**Mossman, Sandra Myles, Helena Netscher**

## Board Report

At the AGM, the board reported that the company had experienced a difficult year in 2008/09, due to the poor economic conditions worldwide. The profitability of Bendigo and Adelaide Bank and our **Community Bank®** Branch has never been in question, however, our income margins were hit by the global financial crisis from January through to May 2009. The economy is improving, rates have stabilised and this is flowing through to our franchise income profit share. We are now in a much better financial position, thanks to the hard work of the staff and to the prudent management of our expenses.

I am pleased to welcome six new directors to our board to join Gerard, Ron and I. They are Andrew Wells, Richard Stuart, James Saunders, Paige McNeil, Bob Emery and Peter Hackett. A profile of each is included on page 4 of the newsletter. As part of my intention to share the spotlight, a different director will write the board report in our newsletters so you have the opportunity to 'meet' them all over time, including at community events and general meetings.

The board has also changed the administrative set up of the company to reflect the changing times. I acknowledge the hard work of our now retired directors, Phil I'Dell, Frank Kamp, Neridah Zlatnik and Neil Cole. Their contribution has provided solid foundations to build upon. From a management perspective, Allison I'Dell has been appointed to the position of Corporate Manager to oversee the administrative, community and marketing aspects of the company, which is working well and the company is now in the position to start implementing programs to invest into our community.

Our thanks go to Gerry and Allison and all our staff for an excellent job done in very difficult times.

**Arthur Maddison, Chairman**



## Community Report

With a reduction in our ability to support community projects, we decided we needed to think differently and focussed our attention on helping community groups to help themselves. This meant we increased our community EFTPOS, marketing and market stall promotion to make sure that local groups, wanting help to fundraise, had ways available with our support. We managed to assist more than 20 groups with the EFTPOS and the marketing support via advertising has been very successful. We sponsored the Swan View Show in November with advertising support, Mundaring Sharing with EFTPOS for their registration days and continued our support of the Chidlow Marsupial Hospital.

The inaugural KRW Treanor Poetry Competition was held in December with Taylah Howard awarded the Youth



**Gerard Tonks with Taylah Howard**



**Playgroups in the Hills**



**Free stall hire at Mundaring Rotary Markets**



**Mobile EFTPOS for community group's events**

prize and Roland Leach the Open prize. The award will be offered each year as part of our aim to promote excellence in literacy and is run in partnership with Katherine Susannah Pritchard Writers' Centre.

With the company now in a better trading position, we are starting to consider how we can increase our community support, with the board considering new opportunities for community investment. Our latest sponsorships include the Hills Football Association for , Hills Symphony Orchestra for their concert series in 2010, Darlington Concerts and Mundaring Sharing for afternoon

tea catering for the Darlington Chamber Music series in 2010, Hill Hornets Baseball team for players to attend the provincial competitions, Gooseberry Hill Arts and Craft for help with re-usable signage and the Mundaring Tourism Association for the Discover the Treasures of the Hills event in the April school holidays.

Of course we continue to regulate the amount by which we assist the community however small sponsorships help our community and our business. If you have any inquiries about sponsorships, please call me on 9274 6833.

**Allison I'Dell, Corporate Manager**

## MUNDARING COMMUNITY FINANCIAL SERVICES LTD

A.C.N. 097 289 677

### SUMMARY OF FINANCIAL RESULTS – HALF YEAR TO 31 DEC 2009

	31 Dec 09 \$	31 Dec 08 \$
<b>Statement of Financial Performance – Income Statement for six months</b>		
Revenue from ordinary activities	748,978	686,615
Employee expense	(422,341)	(353,113)
Depreciation and amortisation expense	(20,073)	(16,476)
Distributions & support to community	(31,062)	(122,111)
Other operating expenses for ordinary activities	(236,589)	(235,866)
Profit / (loss) from ordinary activities	38,916	(40,951)
Income tax benefit (expense)	(13,175)	10,785
Net (loss) profit after income tax	<b>25,741</b>	<b>(30,166)</b>
<b>Statement of Financial Position – Balance Sheets as at 31 December 2009 &amp; 30 June 2009</b>		
Current Assets: Cash and receivables	645,763	568,616
Non-current Assets: equipment and intangibles	195,521	210,766
Total Assets	841,284	779,382
Current & non-current liabilities: Payables and Provisions	(221,422)	(185,261)
<b>Net Assets</b>	<b>619,862</b>	<b>594,121</b>
<b>Equity:</b>		
Shareholders funds	619,862	594,121
<b>Earnings per share</b>	4.55 cents	(6.00) cents
<b>Net asset backing per share</b>	\$1.09	\$1.05

### Statement of Financial Position – Balance Sheets as at 31 December 2009 & 30 June 2009

These are summaries of the financial reports prepared by the directors and reviewed by the auditors.

The principal activity and focus of the Company is the operation of Mundaring Community Bank Branch of Bendigo Bank, pursuant to a franchise agreement.

There are about 721 shareholders holding 565,700 shares in the Company.

**By order of the Board**

**Gerard Tonks FCA, FCIS, Company Secretary and Director, 31st March 2010**