

Sarina & District Community Financial Services Limited

Minutes of Annual General Meeting

1pm Saturday 10 November 2012

Sarina Bowls Club, Beach Road, Sarina

The meeting was declared open at 1.30pm

**Present:**

**Directors:** Ralph Johnson (chairman), Rodney Nunn, Lesley Ward, Christina Brady, Sonja Solli, Jeff Burt, Natasja Steenkamp.

**Welcome by Chairman:**

Graeme Stuart AFS Auditor for the company, Geoff Power Regional Manager Bendigo Bank, Kate Wakelin Area Manager Bendigo Bank.

**Shareholders & Guests:**

Shareholders 17, Guests 25

**Apologies:**

Joe & Clare Bartolo, Robert Buckland, Kath Terrance, Karen & John May, John Ward, Linda & Ian Brady, Bill & Mavis Horne, Debbie & Gary Rhule, Byron & Kerry Davidson, Paul & Carmel Marshall.

**Quorum:**

The Chairman confirmed that a quorum was present and declared the Meeting open for Business.

**Notice of Meeting**

Chairman states that the Notice of Annual General Meeting was sent in the mail. It was agreed that the notice could be taken as read.

**Minutes of previous Annual General Meeting**

The Chairman reported that the minutes of the previous General Meeting of shareholders of Sarina & District Community Financial Services Limited held on Saturday 12 November 2011, were approved by the Board and signed by the Chairman in accordance with the provisions of section 251A of the Corporations Act and that should any shareholder wish to inspect those minutes, a copy was available for that purpose. All present were in favour of acceptance of the previous minutes.

**Addresses**

The Chairman and Branch Manager delivered their addresses.

## **Annual Report**

The Company's Financial Report for the year ended 30 June 2012 and the Directors' Report and the Auditor's Report were tabled and considered, with an opportunity for questions to be put to the Auditor. The Chairman asked if any written questions had been received by the auditor. The auditor advised no written questions had been received.

### **Discussion:**

The subject of the Company's Annual Report was open for discussion. There were no questions regarding the annual report, the management of the Company, the conduct of the audit or the preparation and content of the auditor's report.

Proxy's recorded as 17 all to accept.

The Annual Report and its contents was accepted by a show of hands in favour.

### **Election of Directors**

IT WAS RESOLVED that Jeffery Burt be elected as a Director of the Company.

Accepted by a show of hands in favour of this election.

Proxy's recorded 17 to accept

IT WAS RESOLVED that Natasja Steenkamp be elected as a Director of the Company.

Accepted by a show of hands in favour of this election

Proxy's recorded 17 to accept

IT WAS RESOLVED that Sonja Solli be elected as a Director of the Company.

Accepted by a show of hands in favour of the election.

Proxy's recorded 15 to accept 2 declined.

### **Remuneration**

The remuneration report was adopted.

Proxy's recorded 15 to accept 2 declined.

### **Close of Meeting**

There being no further business, the Meeting then closed at 1.55pm.

Signed as a correct record

(Chairman)

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Date:

### **Chairman's Address**

My report on behalf of the Board of Directors covers Sarina and District Community Financial Services Ltd activities from 1<sup>st</sup> July 2011 to 30<sup>th</sup> June 2012 and some matters for the current financial year.

Business activity has been good and is a testament to the dedication of all of our staff and the leadership of our manager Roanna Brady. Banking business on the books has grown 20.8% and gross income has risen by 18.1% in comparison to the previous financial year. This has translated into \$78,108 profit after tax (subject to audit). Last financial year the figure was \$60,375 and the previous year was \$56,253. Since the end of last financial year a dividend of 8.5 cents per share declared – pleasing result. Tracking our shareholders and payment of the dividends is contracted to a company called SHAREDATA. We apologise for any confusion caused by their 2012 final dividend notice – first notice Dividend Amount was correctly calculated on 8.5 cps but had an error in the stated dividend rate 9.0 instead of 8.5. We asked them to rectify this by sending out an amended notice which they did.

However, these figures tell only a little of the real story of our business. Our business is set up to give a fair return to shareholders and to invest a large portion of our income share in grants and sponsorships to not for profit organisations. Our capacity to contribute to the sustainability and prosperity of our community has more than doubled. In 2011-2012 we have made provision for future Community Grants for \$194,318. We have already paid out sponsorships and donations to local organisations of \$67,044.

This is a very gratifying result which is a combination of increasing support from existing and new customers and the exemplary efforts of our staff and directors. Our actual figures have bettered budget targets. For example, gross income was 16.8% above budget and gross expenses were 5.45% under budget.

Our partnership with CQUniversity continues to develop with the awarding of our first scholarship to Jennifer Hickey. This scholarship has made a world of difference in enabling Jennifer to concentrate more fully on her studies. Jennifer also featured as first customer in the media coverage of the opening of our ATM at CQUniversity late March 2012. This is our first venture in expanding our footprint.

Young people and schools are a strong focus of our activity. Since opening in 2005 we have contributed nearly \$80,000 directly to local schools and youth groups. Some examples are:

- Chaplaincy - \$9865 as well as a further partnership for \$15000 spread over three years,
- Healthy Breakfast Program at Sarina State School - \$1390, complementing playground installation \$5709,
- More than \$25,000 to Sarina High School – canteen stove \$5792, cattle yard \$7526, work readiness program \$5000, technology challenge \$2000, awards nights, Motorworks etc,
- Yr 7 Graduation - \$10,000,
- Youth group \$2000, Adventure Club \$2000, Youth Kokoda Trail \$2000.

This is apart from the substantial funds we have also been able to deploy to Safety House, Sarina Kindergarten, Lifesavers, Athletics Club, BMX, Skate Park concept design, Bowls Club, Golf Club, Soccer Club, Netball, Touch Football, Landcare and tertiary scholarships.

Something completely new and breaking new ground nationally and internationally is the Community Strengthening Index that is currently being trialled and which has been developed by Deloitte Access Economics. It shows the ripple out effect from projects – we know that every dollar we keep in the community breeds another dollar – this will help to quantify how many dollars. Its credibility and reliability will help to inform future decisions on where to place our dollars. The intention is to make this data available for our next Annual report.

We would like to do more and see that the way ahead involves partnerships with the different levels of government, industry and other groups that provide leverage to our own funds.

As an example, community planning forums have expressed the need for the development of a high quality skate park facility in Sarina. Our pledge of \$30,000 immediately attracted service club support of \$40,000 which then enabled a credible approach to Mackay Regional Council which has committed \$100,000. This allows the project committee to approach other potential partners with confidence. Since that time, Mackay regional Council has applied for State subsidy – the application has a maximum value of \$100k. This will take our \$30k pledge to realise a project of \$270k if the maximum state grant is achieved. This is the way of the future and our challenge to organisations to begin considering the big picture through partnerships and leveraging.

Similarly, our interest in supporting the “work readiness programme” at Sarina State High School resulted in partnering with BMC (BHP Billiton Metallurgical Coal). Partnering leverages our \$5000 contribution to now deliver an outcome of two to three times that amount at the completion of the hands-on “Defensive Driving” component.

I would like to recognise the unflagging energy and expertise of Company Secretary Lesley Ward and company Treasurer Rodney Nunn alongside that of all of our directors. It was with regret that we accepted the resignations of Grants Program director Margie Newport and Marketing Committee director Paul Marshall due to their

increased work commitments. We are in the process of recruiting new directors and expect to fill positions before the end of the year. Karen May and Aleesha Birch have indicated that they would accept positions on the board if offered.

Bendigo and Adelaide Bank are our business partners and provide all financial products and services, so customers of Sarina **Community Bank**® Branch are able to bank at any one of approximately 500 branches across Australia as well as free use of Suncorp ATMs. We are part of the fifth largest bank in Australia which has consistently surveyed top in customer service and Bendigo and Adelaide Bank also received a credit upgrade late 2011.

We look to the future with confidence. We do so in the expectation that our community will continue to support our efforts and recognise the mutual benefit of the Community Banking model.

Yours faithfully,

Ralph Johnson  
Chairman

#### **The Managers Address**

Shareholders/ Customers & Guests

I really do LOVE MY JOB – stressed, pressure, over worked, but love because.....  
Successful year

Challenging year  
Lost our CRM Emily Horwood – added pressure over the last half of the year  
All staff worked really hard  
And thankfully Kerry Usher our CSO stepped up ---- still learning  
And yet we had an incredible outcome

We grew our total business including deposits and lending from \$77.82mil to \$99.12mil.  
That's \$21.3mil in growth over 12months. We settled \$26.4mil in lending compared to \$12.7mil the previous year. So you can see – it was a tough year but well worth it.

Majority of business came from grants/sponsorships  
.....Thank you for spreading the word  
Because of this support from our customers we are able to contribute towards community projects and events.  
It really is exciting when you think about what the possibilities are if we continue a similar growth each year.

Now are very wise man said to me at our last AGM...  
Banking benefits not just the community benefits  
90% customer satisfaction rating  
Personalised service  
Face-to-face contact

Regular contact... you can call us direct  
We have all banking products just like any major would  
We have specialists such as BB, FP & Agri who will all meet you face-to-face and I can guarantee that you will get along with everyone of them

The team and I believe that when you bank with us you are joining the family.

And now I will ask part of that wonderful family to join me now  
Introduce all staff

We have a fairly new team who work very well together.

It was so nice to hear just recently from a customer that "I finally had a good and stable team together"... now I'm not sure about the finally but she had seen some of the changes. But what she meant was that I had a team where everyone was working for the community bank and not just for themselves. She felt there was a really nice feel to the place. And when she said this to me it really did hit me!!!

That every person standing here does genuinely believe in the community bank and wants to do really well for this bank so we succeed.

So a round of APPLAUSE

And then of course another big thank you to all of you for coming along today and supporting us once again. To all of our new and existing customers who contributed to our growth and To everyone that helped spread the word and told our stories. You all helped with this growth of our business and I'm really THANKFUL. Really exciting times.

Let's hope we can do it again this year!!!!

Roanna Brady

#### Directors Address to shareholders

##### **Jeff Burt**

Good Afternoon Shareholders and guests.

Following last year's AGM, when I received a grant on behalf of Cliftonville Rural Fire Brigade, I was approached about the possibility of joining the board. Retirement from full time employment in March meant that I was in a position to take up the invitation, and after a long induction period, I was accepted in September.

I was born and educated in Newcastle, and following an apprenticeship, embarked on a seagoing career, interspersed with periods ashore, and in small business. I spent a considerable amount of time working overseas, including two years as Technical Manager on a major dredging project in Papua New Guinea.

Over the years we have owned and operated three farms, owned and operated a boat hire business, and presently have a Machinery hire company, Burt's Machinery Services Pty Ltd

With my wife and family, I migrated to Queensland in 1976, and after moving a few times, finally settled in Sarina in 2007. We enjoy life in Sarina, and anticipate spending the rest of our lives here.

My community involvement includes Cliftonville Rural Fire Brigade, Mackay-Sarina Clay Target Club, and Sarina Rotary Club.

I believe I can bring to the board a broad balance of experience in way of small business, sound decisions, and logical thinking. Given your endorsement I believe I can assist in the continuing success of the company.

Thank you.

### **Natasja Steenkamp**

I'm Natasja Steenkamp and I live in Mackay. I was born in South Africa and immigrated to New Zealand in 1998 and to Australia in October 2010.

I am a senior lecturer at CQUniversity in the Mackay campus and currently teach Financial and Management Accounting courses and supervise a few PhD students. I gained my PhD in Accounting and Certificate in Tertiary Education from AUT University in New Zealand. I obtained my Bachelor of Commerce, Bachelor of Commerce Honours, and Master of Commerce degrees in South Africa. I have worked in Academia in South Africa for 6 years, in New Zealand for 11 years and two years in Australia. I have taught auditing and a range of accounting subjects at both undergraduate and postgraduate levels.

I qualified as a Chartered Accountant in South Africa and have worked in a number of different capacities in the corporate world for 11 years, including as a manager in the National Technical departments of PwC and of KPMG Chartered Accountants in South Africa and in New Zealand respectively. I also had my own Chartered Accountant practice in South Africa for several years.

Sarina Community Bank signed a memorandum of agreement with CQUniversity in the beginning of 2011 and as a result I was offered a position as a Director with the Bank. I was appointed to the Board of Directors on the 23<sup>rd</sup> of February 2011.

Having seen the difference the Sarina Community Bank makes to the community makes me feel privileged to serve on the board of Directors of Sarina Community Bank. I believe the Sarina Community Bank will continue to make meaningful differences in the Sarina community and therefore offer myself for re-election as a Director of the Sarina Community Bank.

AGM Address

### **SONJA SOLLI**

For those of you who may not know me, I have lived in the district since 1959 so I think I can now consider myself a local. I have taught in the district for twenty-five years,

being a qualified teacher. Now being retired, I have the time and commitment to serve on the Board of which I have been a Director since 2006. I seek your re-election to the Board. Thank you.