

Canterbury Surrey Hills Community Finance  
Limited

Half Year Financial Report

as at

31 December 2011

**Canterbury Surrey Hills Community Finance Limited**  
**ABN 96 099 590 593**  
**Directors' Report**

Your Directors submit their report of the Company for the half year ended 31 December 2011.

**Directors**

The names of directors who held office during the half year and until the date of this report are:

Hans Diederick Menting

Damien Leo Hudson

Robert Einar Stensholt

Juliann Ruth Byron

Leigh Warren Smith

Gordon Lennox McFarlane

John James Grace

Trevor Roland Kempton (resigned 26 July 2011)

Directors were in office for this entire period unless otherwise stated.

**Principal activities**

The principal activities of the Company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo & Adelaide Bank Limited.

**Review and results of operations**

Operations have continued to perform in line with expectations. The net profit/(loss) of the company for the financial period was \$147,656 (2010: \$150,007).

**Matters subsequent to the end of the reporting period**

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company.

**Significant changes in the state of affairs**

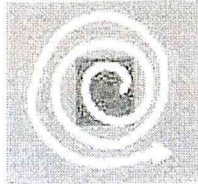
Subsequent to balance date, Canterbury Surrey Hills Community Finance Limited transferred from the BSX to NSX. This became effective from 3rd January 2012.

In the opinion of the directors there were no other significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report.

**Canterbury Surrey Hills Community Finance Limited**  
**ABN 96 099 590 593**  
**Directors' Report**

**Auditor Independence Declaration**

The directors received the following independence declaration from the auditor of the Company:



**Richmond  
Sinnott &  
Delahunty**

Chartered Accountants

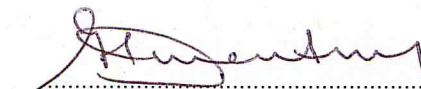
Level 2, 10-16 Forest Street  
PO Box 30  
Bendigo 3552  
Ph. 03 5443 1177  
Fax. 03 5444 4344  
E-mail:  
rsd@rsd advisors.com.au

**Auditor's Independence Declaration**

In relation to our review of the financial report of Canterbury Surrey Hills Community Finance Limited for the half year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

**Philip Delahunty**  
**Partner**  
**Richmond Sinnott & Delahunty**  
**Bendigo**  
**8th March 2012**

Signed in accordance with a resolution of the Directors  
on 8th March 2012

  
.....  
Dick Menting, Chairman

**Canterbury Surrey Hills Community Finance Limited**  
**ABN 96 099 590 593**  
**Condensed Statement of Comprehensive Income**  
**for the half-year ended 31 December 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	1,480,393	1,313,096
Employee benefits expense	(713,923)	(595,271)
Charitable donations and sponsorship	(157,732)	(194,505)
Depreciation and amortisation expense	(43,393)	(39,602)
Other expenses from ordinary activities	<u>(348,473)</u>	<u>(266,248)</u>
<b>Profit before income tax expense</b>	216,872	217,470
Income tax expense	<u>69,216</u>	<u>67,463</u>
<b>Profit after income tax expense for the half year</b>	147,656	150,007
Other comprehensive income	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the half year</b>	<u><u>147,656</u></u>	<u><u>150,007</u></u>
<b>Earnings per share (cents per share)</b>		
- basic for profit for the half year	4.79	5.79
- diluted for profit for the half year	4.79	5.79

The accompanying notes form part of these financial statements

**Canterbury Surrey Hills Community Finance Limited**  
**ABN 96 099 590 593**  
**Condensed Statement of Financial Position**  
**as at 31 December 2011**

	31-Dec 2011 \$	30-Jun 2011 \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	483,365	554,644
Receivables	722,672	738,721
<b>Total Current Assets</b>	<u>1,206,037</u>	<u>1,293,365</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	655,963	293,273
Intangible assets	110,523	124,048
<b>Total Non-Current Assets</b>	<u>766,486</u>	<u>417,321</u>
<b>Total Assets</b>	<u>1,972,523</u>	<u>1,710,686</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	154,116	148,803
Current tax payable	99,118	78,710
Provisions	43,851	34,941
<b>Total Current Liabilities</b>	<u>297,085</u>	<u>262,454</u>
<b>Total Liabilities</b>	<u>297,085</u>	<u>262,454</u>
<b>Net Assets</b>	<u>1,675,438</u>	<u>1,448,232</u>
<b>Equity</b>		
Issued capital	1,537,242	1,302,239
Retained earnings / (accumulated losses)	138,196	145,993
<b>Total Equity</b>	<u>1,675,438</u>	<u>1,448,232</u>

The accompanying notes form part of these financial statements

**Canterbury Surrey Hills Community Finance Limited**  
**ABN 96 099 590 593**  
**Condensed Statement of Cash Flows**  
**for the half-year ended 31 December 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Cash receipts in the course of operations	1,554,951	1,378,057
Cash payments in the course of operations	(1,281,154)	(1,184,108)
Interest received	16,740	12,069
Income tax paid	(48,808)	-
<b>Net cash flows from operating activities</b>	<u>241,729</u>	<u>206,018</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of property, plant and equipment	-	(10,611)
Payments for intangible assets	(10,521)	-
Payments for property, plant and equipment	(382,037)	(1,000)
<b>Net cash flows used in investing activities</b>	<u>(392,558)</u>	<u>(11,611)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of shares	235,002	-
Dividends paid	(155,452)	(129,544)
<b>Net cash flows from / (used in) financing activities</b>	<u>79,550</u>	<u>(129,544)</u>
<b>Net increase / (decrease) in cash held</b>	(71,279)	64,863
Cash and cash equivalents at start of period	<u>554,644</u>	<u>412,783</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>483,365</u></u>	<u><u>477,646</u></u>

The accompany notes for part of these financial statements

**Canterbury Surrey Hills Community Finance Limited**  
**ABN 96 099 590 593**  
**Condensed Statement of Changes in Equity**  
**for the half-year ended 31 December 2011**

	<u>Notes</u>	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>As at 1 July 2011</b>		1,302,239	145,993	1,448,232
Profit/(loss) after income tax expense		-	147,656	147,656
Issue of share capital		235,002	-	235,002
Dividends paid	5	<u>-</u>	<u>(155,452)</u>	<u>(155,452)</u>
<b>As at 31 December 2011</b>		<u><u>1,537,241</u></u>	<u><u>138,197</u></u>	<u><u>1,675,438</u></u>

		<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>As at 1 July 2010</b>		1,302,239	(33,581)	1,268,658
Profit/(loss) after income tax expense		-	150,007	150,007
Issue of share capital		-	-	-
Dividends paid	5	<u>-</u>	<u>(129,544)</u>	<u>(129,544)</u>
<b>As at 31 December 2010</b>		<u><u>1,302,239</u></u>	<u><u>(13,118)</u></u>	<u><u>1,289,121</u></u>

The accompanying notes form part of these financial statements

**Canterbury Surrey Hills Community Finance Limited**  
**ABN 96 099 590 593**  
**Notes to the Financial Statements**  
**for the half-year ended 31 December 2011**

**1. Summary of significant accounting policies**

**(a) Basis of preparation**

Canterbury Surrey Hills Community Finance Limited ('the Company') is domiciled in Australia. The financial statements for the half year ending 31 December 2011 are presented in Australian dollars. The Company was incorporated in Australia and the principal operations involve providing community banking services.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of Canterbury Surrey Hills Community Finance Limited as at 30 June 2011. It is also recommended that this half year financial report be considered together with any public announcements made by Canterbury Surrey Hills Community Finance Limited during the half year ended 31 December 2011 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standard AASB 134 "Interim Financial Reporting".

For the purpose of preparing the half year financial statements the half year has been treated as a discrete reporting period.

**(b) New and revised accounting requirements applicable to the half year reporting period**

For the half year reporting period to 31 December 2011, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Company. A discussion of these new and revised requirements that are relevant to the Company is provided below:

**AASB 124- Related Party Disclosures (December 2009)**

AASB 124 (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended) including the following:

- The definition of a related party is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:
  - the definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
  - entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other;
  - the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control over a third party, the second and third entities are related to each other; and
  - The definition now clarifies that a post-employment benefit plan and an employer sponsor of such a plan are related parties of each other.
- A partial exception is provided from the disclosure requirements for government related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

**Canterbury Surrey Hills Community Finance Limited**  
**ABN 96 099 590 593**  
**Notes to the Financial Statements**  
**for the half-year ended 31 December 2011**

**1. Basis of preparation and accounting policies (continued)**

**(a) Basis of preparation (continued)**

The adoption of the amendment did not have a significant impact on the financial statements of the Company.

AASB 2010-4 Further amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13].

This standard details numerous non urgent but necessary changes to Accounting Standards arising from the IASB's annual improvement project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian Accounting Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events and transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various standards and interpretations.

The adoption of the amendments did not have a significant impact on the financial statements of the Company.

AASB 1054: Australian Additional Disclosures and AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 and AASB 134 and Interpretations 2, 112 and 113]

AASB 1054 sets out the Australian specific disclosures that are additional to IFRS disclosure requirements. The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

The adoption of the amendments did not have a significant impact on the financial statements of the Company.

The Company has not elected to adopt any other new standards or amendments that are issued but not yet effective.

**(c) Summary of significant accounting policies**

The same accounting policies and methods of computation have been followed in this interim financial report as well as applied to the most recent annual financial statements.

**Canterbury Surrey Hills Community Finance Limited**

**ABN 96 099 590 593**

**Notes to the Financial Statements  
for the half-year ended 31 December 2011**

**2. Events subsequent to Reporting Date**

Subsequent to balance date, Canterbury Surrey Hills Community Finance Limited transferred from the BSX to NSX. This became effective from 3rd January 2012.

There have been no other events subsequent to reporting date that would materially effect the financial statements at the reporting date.

**3. Contingent Assets and Liabilities**

Since the last annual reporting date there has been no material change of any contingent assets or contingent liabilities.

**4. Segment Reporting**

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being the City of Boroondara.

**5. Dividends Paid**


	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<i>Dividends paid during the half year</i>		
Final franked dividend for the year ended 30 June 2011 of 6 cents (2010: 5 cents)	155,452	129,544

**Canterbury Surrey Hills Community Finance Limited**  
**ABN 96 099 590 593**  
**Directors Declaration**  
**for the half-year ended 31 December 2011**

The directors of Canterbury Surrey Hills Community Finance Limited, declare that:

- (1) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standard AASB 134, "Interim Financial Reporting"; and
  - (b) giving a true and fair view of the Company's financial position as at 31 December 2011 and its performance for the half-year ended on that date.
- (2) In the directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors



Hans Diederick Menting, Chairman

Signed at Canterbury on 8th March 2012

## **Independent Review Report**

### **To the members of Canterbury Surrey Hills Community Finance Limited**

#### ***Scope***

The financial report comprises the condensed statement of comprehensive income, condensed statement of financial position, condensed statement of cash flows, condensed statement of changes in equity, accompanying notes to the financial statements and the directors' declaration for Canterbury Surrey Hills Community Finance Limited for the half-year ended 31 December 2011.

The company's directors are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for accounting policies and accounting estimates inherent in the financial report.

#### ***Review Approach***

We conducted an independent review of the half year financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the half year financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis or procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position and of their performance as represented by the results of their operations and their cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than that given in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

### ***Independence***

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

### ***Review Statement***

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year interim financial report of Canterbury Surrey Hills Community Finance Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 31 December 2011 and its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

**Richmond Sinnott & Delahunty**  
**Chartered Accountants**



**Philip Delahunty**  
**Partner**

Signed at Bendigo on 8<sup>th</sup> March 2012

Level 2, 10-16 Forest Street  
Bendigo, Victoria  
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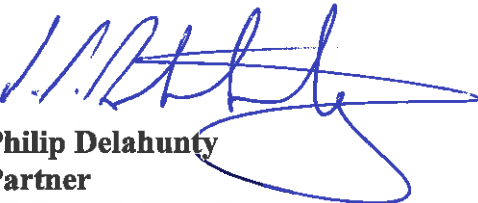
8<sup>th</sup> March 2012

The Directors  
Canterbury Surrey Hills Community Finance Limited  
143 Mailing Road  
CANTERBURY VIC 3126

Dear Directors

**Auditor's Independence Declaration**

In relation to our review of the financial report of Canterbury Surrey Hills Community Finance Limited for the half year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



**Philip Delahunty**  
**Partner**  
**Richmond Sinnott & Delahunty**