

**Canterbury Surrey Hills Community Finance
Limited**

Financial Statements

as at

31 December 2012

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

Your Directors submit the financial report of the Company for the half year ended 31 December 2012.

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

Geofery Leslie Rowles

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 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 of the company for the financial period was \$84,064 (2011: \$147,656).

Matters subsequent to the end of the reporting period

On 22 February 2013, Bendigo and Adelaide Bank Limited, the company's franchise partner, informed the company that effective from 1 April 2013 the trailer commission on fixed rate home loans and term deposits greater than 90 days will reduce from 0.375 per cent to 0.25 per cent.

Bendigo and Adelaide Bank Limited also informed the company the regional manager will make time with the Board to discuss the potential impact of this change.

The reduction in trailer commission rates is expected to have a financial effect on the expected revenue and financial performance of the company in future periods.

At the date of this report the Board is unable to quantify the financial effect. Further confirmation of the financial effect will be available in the annual report for the year ended 30 June 2013.

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

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


Significant changes in the state of affairs

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

Auditor's independence declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 3 for the half year ended 31 December 2012.

Signed in accordance with a resolution of the Board of Directors at Canterbury Surrey Hills Community Finance Limited on 27 February 2013.


.....
Julian Byron
Chairman



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

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Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Canterbury Surrey Hills Community Finance Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2012 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants


Phil Delahunty
Partner

Level 2, 10-16 Forest Street
Bendigo VIC 3550

Dated, 27 February 2013

Canterbury Surrey Hills Community Finance Limited
ABN 96 099 590 593
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2012

	31-Dec 2012 \$	31-Dec 2011 \$
Revenue	1,735,115	1,480,393
Employee benefits expense	(756,544)	(713,923)
Depreciation and amortisation expense	(65,032)	(43,393)
Other expenses from ordinary activities	<u>(492,741)</u>	<u>(348,473)</u>
Profit before charitable donations & sponsorships	420,798	374,604
Charitable donations and sponsorship	<u>(304,576)</u>	<u>(157,732)</u>
Profit before income tax	116,222	216,872
Income tax expense	<u>32,158</u>	<u>69,216</u>
Profit for the period	84,064	147,656
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the half year	<u>84,064</u>	<u>147,656</u>
Earnings per share (cents per share)		
- basic earnings per share	2.73	4.79
- diluted earnings per share	2.73	4.79

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 2012

	31-Dec 2012 \$	30-Jun 2012 \$
ASSETS		
Current Assets		
Cash and cash equivalents	622,556	612,405
Trade and other receivables	692,160	712,563
Current tax receivable	15,939	-
Total Current Assets	<u>1,330,655</u>	<u>1,324,968</u>
Non-Current Assets		
Property, plant and equipment	529,482	557,492
Intangible assets	133,321	170,011
Total Non-Current Assets	<u>662,803</u>	<u>727,503</u>
Total Assets	<u>1,993,458</u>	<u>2,052,471</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	216,615	160,560
Current tax payable	-	40,257
Provisions	46,478	51,118
Total Current Liabilities	<u>263,093</u>	<u>251,935</u>
Total Liabilities	<u>263,093</u>	<u>251,935</u>
Net Assets	<u>1,730,365</u>	<u>1,800,536</u>
Equity		
Issued capital	1,536,989	1,536,989
Retained earnings	193,376	263,547
Total Equity	<u>1,730,365</u>	<u>1,800,536</u>

The accompanying notes form 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 2012

		Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2012		1,536,989	263,547	1,800,536
Total comprehensive income for the period		-	84,064	84,064
Transactions with owners in their capacity as owners:				
Shares issued during the period		-	-	-
Dividends recognised for the period	5	<u>-</u>	<u>(154,235)</u>	<u>(154,235)</u>
Balance at 31 December 2012		<u>1,536,989</u>	<u>193,376</u>	<u>1,730,365</u>
Balance at 1 July 2011		1,302,239	145,993	1,448,232
Total comprehensive income for the period		-	147,656	147,656
Transactions with owners in their capacity as owners:				
Shares issued during the period		235,002	-	235,002
Dividends recognised for the period	5	<u>-</u>	<u>(155,452)</u>	<u>(155,452)</u>
Balance at 31 December 2011		<u>1,537,241</u>	<u>138,197</u>	<u>1,675,438</u>

The accompanying notes form part of these financial statements

Canterbury Surrey Hills Community Finance Limited
ABN 96 099 590 563
Condensed Statement of Cash Flows
for the half-year ended 31 December 2012

	31-Dec 2012 \$	31-Dec 2011 \$
Cash Flows From Operating Activities		
Receipts from customers	1,918,830	1,554,951
Payments to suppliers and employees	(1,678,627)	(1,281,154)
Interest received	12,869	16,740
Income tax paid	<u>(88,354)</u>	<u>(48,808)</u>
Net cash flows from operating activities	<u>164,718</u>	<u>241,729</u>
Cash Flows From Investing Activities		
Payments for intangible assets	-	(10,521)
Payments for property, plant and equipment	<u>(332)</u>	<u>(382,037)</u>
Net cash flows used in investing activities	<u>(332)</u>	<u>(392,558)</u>
Cash Flows From Financing Activities		
Proceeds from issue of shares	-	235,002
Dividends paid	<u>(154,235)</u>	<u>(155,452)</u>
Net cash flows from financing activities	<u>(154,235)</u>	<u>79,550</u>
Net decrease in cash held	10,151	(71,279)
Cash and cash equivalents at beginning of period	<u>612,405</u>	<u>554,644</u>
Cash and cash equivalents at end of period	<u><u>622,556</u></u>	<u><u>483,365</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 2012

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Canterbury Surrey Hills Community Finance Limited ("the Company"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2012, together with any public announcements made during the following half-year.

(b) Accounting policies

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

(c) Critical accounting estimates and judgements

The critical estimates and judgements are consistent with those applied and disclosed in the June 2012 annual report.

(d) New and revised accounting requirements applicable to the current half year reporting period

For the half year reporting period to 31 December 2012, 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:

The Company adopted AASB 2011-9: Amendments to Australian Accounting Standards- Presentation of Items of Other Comprehensive Income on 1 July 2012. AASB 2011-9 is mandatorily applicable from 1 July 2012 and amends AASB 101: Presentation of Financial Statements.

AASB 2011-9 amends the presentation requirements of other comprehensive income. As the financial report contains no other comprehensive income, this has not affected the presentation of the financial statements.

AASB 2011-9 also amends AASB 101 to change the title "Income Statement" to "Statement of Profit or Loss and Other Comprehensive Income" when the single statement approach is followed. Although other titles are also permitted, the Company has decided to use the title "Statement of Profit or Loss and Other Comprehensive Income."

The adoption of AASB 2011-9 only changed the presentation of the Company's financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the Company's financial statements.

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

Canterbury Surrey Hills Community Finance Limited
ABN 96 099 590 593
Notes to the Financial Statements
for the half-year ended 31 December 2012

2. Events subsequent to reporting date

On 22 February 2013, Bendigo and Adelaide Bank Limited, the company's franchise partner, informed the company that effective from 1 April 2013 the trailer commission on fixed rate home loans and term deposits greater than 90 days will reduce from 0.375 per cent to 0.25 per cent.

Bendigo and Adelaide Bank Limited also informed the company the regional manager will make time with the Board to discuss the potential impact of this change.

The reduction in trailer commission rates is expected to have a financial effect on the expected revenue and financial performance of the company in future periods.

At the date of this report the Board is unable to quantify the financial effect. Further confirmation of the financial effect will be available in the annual report for the year ended 30 June 2013.

There have been no other events subsequent to balance 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

	2012	2011
	\$	\$
<i>Dividends paid during the half year</i>		
Final franked dividend for the year ended 30 June 2012 of 5 cents (2011: 6 cents)	154,235	155,452

6. Analysis of other comprehensive income


There was no other comprehensive income during the reporting period.

Canterbury Surrey Hills Community Finance Limited
ABN 96 099 590 893
Directors Declaration
for the half-year ended 31 December 2012

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

- (1) The financial statements and notes, as set out on pages 4 to 9 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 2012 and of 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


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Julian Byron
Chairman
Signed at Canterbury Surrey Hills on 27 February 2013



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CANTERBURY SURREY HILLS COMMUNITY FINANCE LIMITED

Report on the Half-year Financial Report

We have reviewed the accompanying half year financial report of Canterbury Surrey Hills Community Finance Limited, which comprises the Condensed Statement of Financial Position as at 31 December 2012, the Statement of Profit or Loss and Other Comprehensive Income, Condensed Statement of Changes in Equity, and Condensed Statement of Cash Flows for the half-year ended on 31 December 2012, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of Canterbury Surrey Hills Community Finance Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with *Corporations Act 2001* including: giving a true and fair view of Canterbury Surrey Hills Community Finance Limited's financial position as at 31 December 2012 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Canterbury Surrey Hills Community Finance Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written auditor's independence declaration, a copy which is included in the director's report.

Conclusion

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 financial report of Canterbury Surrey Hills Community Finance Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of Canterbury Surrey Hills Community Finance Limited's financial position as at 31 December 2012 and of its performance for the half year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Richmond Sinnott & Delahunty
Chartered Accountants



Phil Delahunty
Partner
Level 2, 10 – 16 Forest Street
Bendigo VIC 3550

Dated: 27 February 2013