

**Canterbury Surrey Hills Community Finance
Limited**

Financial Statements

as at

31 December 2014

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 2014.

Directors

The names of directors who held office during or since the end of the half-year:

Juliann Ruth Byron (Chairman)
Gordon Lennox McFarlane
Geofery Leslie Rowles
Hans Diederick Menting
Damien Leo Hudson
Robert Einar Stensholt
Leigh Warren Smith

Each director named above has held their directorship for the full half year ending 31 December 2014.

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 four franchised branches 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 \$194,272 (2013: \$175,402).


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.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 2.

Signed in accordance with a resolution of the directors on 25 February 2015.


.....
Juliann Ruth 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 2014 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

Kathie Teasdale
Partner
Level 2, 10-16 Forest Street
Bendigo VIC 3550

Dated, 27 February 2014

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 2014

	31-Dec 2014	31-Dec 2013 \$
Revenue	1,798,074	1,717,315
Employee benefits expense	(888,777)	(821,681)
Depreciation and amortisation expense	(61,578)	(66,486)
Other expenses from ordinary activities	<u>(483,510)</u>	<u>(477,780)</u>
Profit before charitable donations & sponsorships	364,209	351,368
Charitable donations and sponsorship	<u>(115,902)</u>	<u>(102,432)</u>
Profit before income tax	248,307	248,936
Income tax expense	<u>(54,036)</u>	<u>(73,534)</u>
Profit for the period	194,271	175,402
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>194,271</u></u>	<u><u>175,402</u></u>
Profit attributable to members of the company	194,271	175,402
Total comprehensive income attributable to members of the company	<u><u>194,271</u></u>	<u><u>175,402</u></u>
Earnings per share (cents per share)		
- basic earnings per share	6.29	5.69
- diluted earnings per share	6.29	5.69

The accompanying notes form part of these financial statements

Canterbury Surrey Hills Community Finance Limited
ABN 96 099 590 593
Statement of Financial Position
as at 31 December 2014

	31-Dec 2014 \$	30-Jun 2014 \$
ASSETS		
Current Assets		
Cash and cash equivalents	200,889	235,172
Trade and other receivables	601,694	645,768
Investments and other receivables	800,000	700,000
Total Current Assets	<u>1,602,583</u>	<u>1,580,940</u>
Non-Current Assets		
Property, plant and equipment	473,033	501,461
Intangible assets	193,360	212,509
Deferred tax asset	18,175	-
Total Non-Current Assets	<u>684,568</u>	<u>713,970</u>
Total Assets	<u>2,287,151</u>	<u>2,294,910</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	167,275	177,473
Current tax payable	48,916	84,711
Provisions	60,586	62,388
Total Current Liabilities	<u>276,777</u>	<u>324,572</u>
Total Liabilities	<u>276,777</u>	<u>324,572</u>
Net Assets	<u>2,010,374</u>	<u>1,970,338</u>
Equity		
Issued capital	1,536,989	1,536,989
Retained earnings	473,385	433,349
Total Equity	<u>2,010,374</u>	<u>1,970,338</u>

The accompanying notes form part of these financial statements

Canterbury Surrey Hills Community Finance Limited
ABN 96 099 590 593
Statement of Changes in Equity
for the half-year ended 31 December 2014

		Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2013		1,536,989	310,146	1,847,135
Total comprehensive income for the period		-	175,402	175,402
Transactions with owners in their capacity as owners:				
Shares issued during the period		-	-	-
Dividends recognised for the period	5	-	(154,235)	(154,235)
Balance at 31 December 2013		<u>1,536,989</u>	<u>331,313</u>	<u>1,868,302</u>
Balance at 1 July 2014		1,536,989	433,349	1,970,338
Total comprehensive income for the period		-	194,271	194,271
Transactions with owners in their capacity as owners:				
Shares issued during the period		-	-	-
Dividends recognised for the period	5	-	(154,235)	(154,235)
Balance at 31 December 2014		<u>1,536,989</u>	<u>473,385</u>	<u>2,010,374</u>

The accompanying notes form part of these financial statements

Canterbury Surrey Hills Community Finance Limited
ABN 96 099 590 593
Statement of Cash Flows
for the half-year ended 31 December 2014

	31-Dec 2014 \$	31-Dec 2013 \$
Cash Flows From Operating Activities		
Receipts from customers	2,008,146	1,907,310
Payments to suppliers and employees	(1,680,842)	(1,559,217)
Interest received	14,655	13,491
Income tax paid	(108,006)	36,133
Net cash flows from operating activities	<u>233,953</u>	<u>397,717</u>
Cash Flows From Investing Activities		
Purchase of intangible assets	(12,900)	(125,889)
Purchase of investments	(100,000)	(50,000)
Purchase of property, plant and equipment	(1,100)	(42,154)
Net cash flows used in investing activities	<u>(114,000)</u>	<u>(218,043)</u>
Cash Flows From Financing Activities		
Dividends paid	(154,235)	(154,235)
Net cash flows used in financing activities	<u>(154,235)</u>	<u>(154,235)</u>
Net increase in cash held	(34,282)	25,439
Cash and cash equivalents at beginning of period	<u>235,172</u>	<u>182,050</u>
Cash and cash equivalents at end of period	<u><u>200,890</u></u>	<u><u>207,489</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 2014**

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 2014 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 2014, 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 2014 annual report.

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

The following Australian Accounting Standards and amendments to Australian Accounting Standards have become mandatory for the reporting period commencing 1 July 2014:

- AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities.
- AASB 2013-3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets.
- AASB 2013-4: Amendments to Australian Accounting Standards - Derivatives and Continuation of Hedge Accounting.
- AASB 2013-5: Amendments to Australian Accounting Standards - Investment Entities.
- AASB 2013-9: Amendments to Australian Accounting Standards - Part B: Materiality.
- Interpretation 21: Levies.
- AASB 2014-1: Amendments to Australian Accounting Standards:
 - Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles
 - Part B: Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)
 - Part C: Materiality

None of the above new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. There were no other new or revised Accounting Standards and Interpretations effective for the current reporting period relevant to the company that were not disclosed in the annual financial report for the year ended 30 June 2014.

2. Events after the End of the Interim Period

There have been no 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 facilities to Bendigo Bank clients. The economic entity operates in the geographic areas of Canterbury, Surrey Hills, Ashburton and Balwyn.

Canterbury Surrey Hills Community Finance Limited

ABN 96 099 590 593

**Notes to the Financial Statements
for the half-year ended 31 December 2014**

	<u>2014</u>	<u>2013</u>
	<u>\$</u>	<u>\$</u>
5. Dividends		
Dividends paid during the half year:		
Final franked dividend for the year ended 30 June 2014 of 5 cents (2013: 5 cents)	154,235	154,235

6. Analysis of other comprehensive income

There was no other comprehensive income during the reporting period.

Canterbury Surrey Hills Community Finance Limited
ABN 96 099 590 593
Directors Declaration
for the half-year ended 31 December 2014

In accordance with a resolution of the directors of Canterbury Surrey Hills Community Finance Limited the directors of the Company declare that:

- (1) The financial statements and notes, as set out on pages 3 to 8 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 2014 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


.....
Juliann Ruth Byron
Chairman

Signed at Canterbury on 25 February 2015



**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 Statement of Financial Position as at 31 December 2014, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the half-year ended on that date, 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 gives a true and fair view and 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 2014 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 2014 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



Kathie Teasdale
Partner
Level 2, 10 – 16 Forest Street
Bendigo VIC 3550

Dated: 27 February 2015