

Canterbury Surrey Hills Community Finance Limited

ACN: 099 590 593

Financial Report

As at 31 December 2016

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

Your directors submit the financial report of the Company for the half year ended 31 December 2016.

Directors

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

Juliann Ruth Byron
Damian Leo Hudson
Gordon Lennox McFarlane (until 30 November 2016)
Daizy Maan
Hans Diederick Menting
Leigh Warren Smith (until 25 January 2017)
Robert Einar Stensholt
Andrew Graham Whittaker
James Craig Grant (as from 1 February 2017)

Principal activities

The principal activities of the Company during the course of the financial period were providing Community Bank® services under management rights to operate four franchised branches of Bendigo and Adelaide Bank Limited in Canterbury, Surrey Hills, Ashburton and Balwyn, Victoria.

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 \$392,304 (December 2015: \$249,487).

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

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 2 for the half year ended 31 December 2016.

The director's report is signed in accordance with a resolution of the Board of Directors at Balwyn on 22 February 2017.



.....
Juliann Ruth Byron
Chairman

Dated: 22 February 2017



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

Level 2, 10-16 Forest Street
Bendigo, VICTORIA
PO Box 30, Bendigo VICTORIA 3552

Ph: (03) 5445 4200
Fax: (03) 5444 4344
rsd@rsdadvisors.com.au
www.rsdadvisors.com.au

28 February 2017

Dear Directors,

To the Directors of Canterbury Surrey Hills Community Finance Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2016 there has been:

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

Kathie Teasdale
Partner
Richmond Sinnott & Delahunty

Canterbury Surrey Hills Community Finance Limited
ACN 099 590 593
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2016

	31 Dec 2016 \$	31 Dec 2015 \$
Revenue	2,019,330	1,826,379
Employee benefits expense	(863,265)	(835,998)
Depreciation and amortisation	(58,741)	(60,924)
Rental expenses	(182,681)	(165,822)
Other expenses from ordinary activities	<u>(291,704)</u>	<u>(306,226)</u>
Profit before charitable donations & sponsorships	622,939	457,409
Charitable donations and sponsorship	(61,837)	(100,999)
Profit before income tax	<u>561,102</u>	<u>356,410</u>
Income tax expense	(168,798)	(106,923)
Profit for the period	<u>392,304</u>	<u>249,487</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>392,304</u></u>	<u><u>249,487</u></u>
Profit attributable to members of the company	392,304	249,487
Total comprehensive income attributable to members of the company	<u><u>392,304</u></u>	<u><u>249,487</u></u>
Earnings per share (cents per share)		
- basic earnings per share	12.72	8.09

The accompanying notes form part of these financial statements

Canterbury Surrey Hills Community Finance Limited
ACN 099 590 593

**Statement of Financial Position
as at 31 December 2016**

	31 Dec 2016 \$	30 Jun 2016 \$
ASSETS		
Current Assets		
Cash and cash equivalents	830,265	388,302
Trade and other receivables	386,386	356,927
Investments and other financial assets	700,000	951,000
Other assets	117,356	86,101
Total Current Assets	2,034,007	1,782,330
Non-Current Assets		
Property, plant and equipment	393,169	409,337
Intangible assets	56,247	85,327
Deferred tax assets	21,073	21,413
Investments and other financial assets	400,000	300,000
Other assets	-	11,250
Total Non-Current Assets	870,489	827,327
Total Assets	2,904,496	2,609,657
LIABILITIES		
Current Liabilities		
Trade and other payables	162,912	187,889
Provisions	78,440	65,087
Current tax payable	149,592	49,836
Total Current Liabilities	390,944	302,812
Non - Current Liabilities		
Provisions	6,484	6,999
Total Non - Current Liabilities	6,484	6,999
Total Liabilities	397,428	309,811
Net Assets	2,507,068	2,299,846
Equity		
Issued capital	1,536,989	1,536,989
Retained earnings	970,079	762,857
Total Equity	2,507,068	2,299,846

The accompanying notes form part of these financial statements

Canterbury Surrey Hills Community Finance Limited
ACN 099 590 593

**Statement of Changes in Equity
for the half-year ended 31 December 2016**

	Note	Issued Capital \$	Retained earnings \$	Total Equity \$
Balance at 1 July 2015		1,536,989	575,381	2,112,370
Total comprehensive income for the period		-	249,487	249,487
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	5	-	(154,235)	(154,235)
Balance at 31 December 2015		<u>1,536,989</u>	<u>670,633</u>	<u>2,207,622</u>
 Balance at 1 July 2016		 1,536,989	 762,857	 2,299,846
Total comprehensive income for the period		-	392,303	392,303
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	5	-	(185,082)	(185,082)
Balance at 31 December 2016		<u>1,536,989</u>	<u>970,078</u>	<u>2,507,067</u>

The accompanying notes form part of these financial statements

Canterbury Surrey Hills Community Finance Limited
ACN 099 590 593
Statement of Cash Flows
for the half-year ended 31 December 2016

	31 Dec 2016 \$	31 Dec 2015 \$
Cash Flows From Operating Activities		
Receipts from customers	2,148,210	1,957,942
Payments to suppliers and employees	(1,610,700)	(1,589,657)
Interest received	20,725	21,009
Income tax paid	(68,699)	(63,661)
Net cash flows from operating activities	489,536	325,633
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(13,491)	(14,957)
Purchase of investments	-	(100,000)
Proceeds from sale of investments	151,000	-
Net cash flows from used in investing activities	137,509	(114,957)
Cash Flows From Financing Activities		
Dividends paid	(185,082)	(154,235)
Net cash flows from used in financing activities	(185,082)	(154,235)
Net increase in cash held	441,963	56,441
Cash and cash equivalents at beginning of period	388,302	345,126
Cash and cash equivalents at end of period	830,265	401,567

The accompanying notes form part of these financial statements

**Notes to the Financial Statements
for the half-year ended 31 December 2016**

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 2016 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 2016, together with any public announcements made during the following half-year.

(b) Accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the entity's last annual financial statements for the year ended 30 June 2016.

(c) Critical accounting estimates and judgements

The critical judgements, estimates and assumptions applied in the interim financial statements were the same as those applied in the entity's last annual financial statements for the year ended 30 June 2016.

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

The Company has considered the implications of any new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

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 Community Bank® services under management rights to operate four franchised branches of Bendigo and Adelaide Bank Limited. The economic entity operates in the geographic areas of Canterbury, Surrey Hills, Ashburton and Balwyn, Victoria

5. Dividends

	2016	2015
	\$	\$
Dividends paid during the half year:		
Final fully franked dividend for the year ended 30 June 2016 of 6 cents (2015: 5 cents)	185,082	154,235

6. Earnings per share

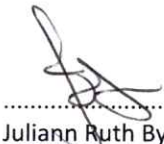
Basic earnings per share (cents)	12.72	8.09
Earnings used in calculating basic and diluted earnings per share	392,303	249,487

Canterbury Surrey Hills Community Finance Limited
ACN 099 590 593
Directors Declaration
for the half-year ended 31 December 2016

In the opinion of the directors of Canterbury Surrey Hills Community Finance Limited:

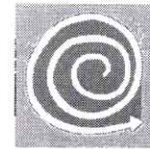
- (1) The financial statements and notes, as set out on pages 3 to 7 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2016 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 Balwyn on 22 February 2017



**Richmond
Sinnott &
Delahunt**

Chartered Accountants

Level 2, 10-16 Forest Street
Bendigo, VICTORIA
PO Box 30, Bendigo VICTORIA 3552

Ph: (03) 5445 4200
Fax: (03) 5444 4344
rsd@rsdadvisors.com.au
www.rsdadvisors.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

To the directors 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 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and the 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 the company 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 financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the company's financial position as at 31 December 2016 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 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 other 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Canterbury Surrey Hills Community Finance Limited, would be in the same terms if given to the directors as at the time of this auditor'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 the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Richmond Sinnott & Delahunty
Chartered Accountants



Kathie Teasdale
Partner

Dated: 28 February 2017