

**Canterbury Surrey Hills Community Finance Limited**

**ABN: 099 590 593**

**Interim Financial Report**

**For the Half-Year Ended 31 December 2017**

**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 2017.

**Directors**

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

Juliann Ruth Byron  
James Craig Grant  
Damian Leo Hudson  
Daizy Maan  
Hans Diedrick Menting  
Robert Einar Stensholt  
Andrew Graham Whittaker

**Principal activities**

The principal activities of the company during the course of the financial period were providing **Community Bank®** branch 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 \$378,658 (December 2016: \$392,304).

**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 2017.

The director's report is signed in accordance with a resolution of the Board of Directors at Balwyn on 28 February 2018.



Juliann Ruth Byron  
Chairman

Dated: 28 February 2018



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Bendigo, Victoria  
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3552

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**Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors Canterbury Surrey Hills Community Finance Limited**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2017 there have been no contraventions of:

- (i) The auditor independence requirements 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.

**RSD Audit**

A handwritten signature in blue ink, appearing to read 'Kathie Teasdale'.

**Kathie Teasdale**  
**Partner**  
41A Breen Street  
Bendigo VIC 3550

**Dated:** 1 March 2018

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 2017**

	Half-Year Ended 31 December 2017 \$	Half-Year Ended 31 December 2016 \$
<b>Revenue</b>	2,234,956	2,019,330
<b>Expenses</b>		
Administration and general costs	158,222	192,035
Bad and doubtful debts expense	640	441
Depreciation and amortisation	58,469	58,741
Employee benefits expense	1,066,763	863,265
IT costs	53,801	54,492
Occupancy expenses	219,209	182,681
Other expenses	15,016	44,736
	<u>1,572,120</u>	<u>1,396,391</u>
<b>Profit before charitable donations &amp; sponsorship</b>	<u>662,836</u>	<u>622,939</u>
Charitable donations and sponsorship	140,415	61,837
<b>Profit before income tax</b>	<u>522,421</u>	<u>561,102</u>
Income tax expense	143,763	168,798
<b>Profit for the period</b>	<u>378,658</u>	<u>392,304</u>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u><u>378,658</u></u>	<u><u>392,304</u></u>
Profit attributable to members of the company	378,658	392,304
<b>Total comprehensive income attributable to members of the company</b>	<u><u>378,658</u></u>	<u><u>392,304</u></u>
<b>Earnings per share (cents per share)</b>		
- basic earnings per share	12.54	12.72

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 2017**

	As at 31 December 2017 \$	As at 30 June 2017 \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	305,631	261,493
Trade and other receivables	414,659	394,441
Financial assets	1,905,306	1,716,556
Other assets	118,810	73,442
<b>Total Current Assets</b>	<u>2,744,406</u>	<u>2,445,912</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	357,189	380,564
Intangible assets	71,598	96,878
Financial assets	-	100,000
Other assets	-	30,136
Deferred tax assets	20,200	17,216
<b>Total Non-Current Assets</b>	<u>448,987</u>	<u>624,794</u>
<b>Total Assets</b>	<u>3,193,393</u>	<u>3,070,706</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	189,619	247,698
Provisions	88,793	65,010
Current tax payable	106,448	96,815
<b>Total Current Liabilities</b>	<u>384,860</u>	<u>409,523</u>
<b>Non-Current Liabilities</b>		
Provisions	13,381	10,957
<b>Total Non-Current Liabilities</b>	<u>13,381</u>	<u>10,957</u>
<b>Total Liabilities</b>	<u>398,241</u>	<u>420,480</u>
<b>Net Assets</b>	<u>2,795,152</u>	<u>2,650,226</u>
<b>Equity</b>		
Issued capital	1,487,481	1,536,989
Retained earnings	1,307,671	1,113,237
<b>Total Equity</b>	<u>2,795,152</u>	<u>2,650,226</u>

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 2017**

	Note	Issued Capital \$	Retained earnings \$	Total Equity \$
<b>Balance at 1 July 2016</b>		<b>1,536,989</b>	<b>762,857</b>	<b>2,299,846</b>
Total comprehensive income for the period		-	392,304	392,304
<b><i>Transactions with owners in their capacity as owners:</i></b>				
Dividends recognised for the period	4	-	(185,082)	(185,082)
<b>Balance at 31 December 2016</b>		<b><u>1,536,989</u></b>	<b><u>970,079</u></b>	<b><u>2,507,068</u></b>
<b>Balance at 1 July 2017</b>		<b>1,536,989</b>	<b>1,113,237</b>	<b>2,650,226</b>
Total comprehensive income for the period		-	378,658	378,658
<b><i>Transactions with owners in their capacity as owners:</i></b>				
Share Buy-backs		(49,508)	-	(49,508)
Dividends recognised for the period	4	-	(184,224)	(184,224)
<b>Balance at 31 December 2017</b>		<b><u>1,487,481</u></b>	<b><u>1,307,671</u></b>	<b><u>2,795,152</u></b>

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 2017**

	Half-Year Ended 31 December 2017 \$	Half-Year Ended 31 December 2016 \$
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	2,391,756	2,148,210
Payments to suppliers and employees	(1,905,683)	(1,610,700)
Interest received	27,474	20,725
Income tax paid	(137,115)	(68,699)
<b>Net cash flows provided by operating activities</b>	<u>376,432</u>	<u>489,536</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(9,812)	(13,491)
Proceeds from sale of investments	-	151,000
Purchase of Investments	(88,750)	-
<b>Net cash flows from/(used in) investing activities</b>	<u>(98,562)</u>	<u>137,509</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid	(184,224)	(185,082)
Payments for share Buy-back	(49,508)	-
<b>Net cash flows used in financing activities</b>	<u>(233,732)</u>	<u>(185,082)</u>
<b>Net increase in cash held</b>	<u>44,138</u>	<u>441,963</u>
Cash and cash equivalents at beginning of period	261,493	388,302
<b>Cash and cash equivalents at end of period</b>	<u><u>305,631</u></u>	<u><u>830,265</u></u>

The accompanying notes form part of these financial statements

**Canterbury Surrey Hills Community Finance Limited**  
**ACN 099 590 593**  
**Notes to the Financial Statements**  
**for the half-year ended 31 December 2017**

**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 2017 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 2017, 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 2017.

**(c) Critical accounting estimates and judgements**

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2017.

**(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. Dividends**

**31-Dec-17      30-Jun-17**

A final fully franked dividend of 6 cents per share for the year ended 30 June 2017 was paid in the half year period to 31 December 2017 (2016: 6 cents)	184,224	185,082
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**Canterbury Surrey Hills Community Finance Limited**  
**ACN 099 590 593**  
**Notes to the Financial Statements**  
**for the half-year ended 31 December 2017**

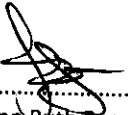
<b>5. Earnings per share</b>	<b>31-Dec-17</b>	<b>30-Jun-17</b>
Basic earnings per share (cents)	12.54	12.72
Earnings used in calculating basic earnings per share	378,658	392,303
Weighted average number of ordinary shares used in calculating basic earnings per share.	3,019,407	3,084,707

**Canterbury Surrey Hills Community Finance Limited**  
**ACN 099 590 593**  
**Directors Declaration**  
**for the half-year ended 31 December 2017**

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 2017 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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Juliann Ruth Byron  
Chairman

Signed at Balwyn on 28 February 2018

## Independent Auditor's Review Report

To the shareholders of Canterbury Surrey Hills Community Finance Limited

### Report on the half-year financial report

We have reviewed the accompanying Interim Canterbury Surrey Hills Community Finance Limited.

The Interim Financial Report comprises the interim statement of financial position as at 31 December 2017, the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and consolidated interim 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.

The interim period is the six months ended on 31 December 2017.

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Canterbury Surrey Hills Community Finance Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### 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 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 the Corporations Act 2001 including:

- giving a true and fair view of the company's financial position as at 31 December 2017 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 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.

A handwritten signature in blue ink, appearing to read 'KATHIE'.

**Kathie Teasdale**  
Partner  
RSD Audit

**Dated:** 1 March 2018