25 September 2020

Market Announcement
National Stock Exchange (**NSX**)

BY ELECTRONIC LODGEMENT

Dear Sir/Madam

2020 ANNUAL REPORT

Canterbury Surrey Hills Community Finance Limited (NSX: CSH) attaches its Annual Report for the year ended 30 June 2020.

The Annual Report will be mailed to shareholders who have elected to receive a hard copy and is also available on our website at supportingourcommunity.com.au/investor-relations.

Yours sincerely

Michael Sapountzis
Company Secretary
Canterbury Surrey Hills Community Finance Limited

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Canterbury Surrey Hills Community Finance Limited

Building Stronger Communities

Annual Report 2020

Canterbury Surrey Hills Community Finance Limited

Building Stronger Communities

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About Us

Our Mission: is to provide exceptional banking services to our communities and optimise profits to create a growing capacity to invest in community projects, and to provide a reasonable financial return to shareholders.

Our Vision: is to remain relevant and profitable by evolving our banking services to changing customer needs and continuing to identify ways to cement our position as a key element of our chosen communities.

Our Values: Teamwork, Performance, Integrity, Respect, Engagement, Leadership & Passion

The Community Bank model operates whereby Bendigo Bank provides the banking infrastructure and licensing requirements, while the community runs the branch and generates valuable funds to invest into their community. Together, Bendigo Bank and Community Bank companies share the revenue, with surpluses invested into the community via grants, sponsorships and dividends to shareholders.

Our Community Bank branches in Canterbury and Surrey Hills opened 17 years ago to return banking to these small retail strips. Our Ashburton and Balwyn branches compete with other major banks in their precincts and demonstrate how the local community can benefit when profits are retained there.

Over the last 21 years, the Community Bank network has delivered more than $220 million back to local communities across Australia, which has in turn helped generate jobs and local economic growth. As a community business, we have three objectives:

Providing exceptional banking services to our communities

Backed by Bendigo Bank, we provide robust banking solutions—home loans, personal and business banking, and insurance—as well as exceptional personalised customer service.

Bendigo Bank provides the balance sheet, the financial products, systems and training, while the local community provides the premises, equipment and staff.

Growing our capacity to invest in community projects

Through our Community Investment Program, we are working to build a sustainable and resilient community, and help local people create the places where they want to live. Over the past 17 years, we have invested more than $5.6 million in the Canterbury, Ashburton, Surrey Hills and Balwyn communities. We provide economic and social value by funding more than 300 community groups and organisations. Indeed, many community projects would not have been viable without our financial support and investment.

Providing a reasonable financial return to shareholders

We strive to create and share value with everyone connected with our business. This includes our shareholders, many of whom live locally. Bendigo Bank's Community Bank network gives our communities direct equity in their banking service provider, as well as the scale advantages associated with an established banking brand.

As one of Australia's largest and most successful Community Bank Groups, we are very proud of our strong and valued brand and our commitment to great customer service. Our Community Investment is possible only because our customers choose to bank with us.

Performance snapshot

Footings ($)

Revenue ($)

Fully Franked Dividend ($)

Local Impact

9,314
Customers

739
Shareholders

7
Directors

27
Staff

310
Community Groups

Community Investment

310
Groups supported since 2003

90
Groups supported in 2020

$5,665,261
Total community investments since 2003

$1,720,247
Total return to shareholders (Dividends)

$509,714
Total community investments in 2020

Chairman's Report

The strength and success of our business is something we are extremely proud of. Our strength comes from working collaboratively with all our stakeholders to create a value that is shared and that enables us to invest in our community and build stronger communities. We put our customers and our communities at the very centre of our business, so we can deliver solutions to enhance their economic and social wellbeing. Our purpose is to help our customers and our communities secure prosperous futures.

The benefits for our community are what sets us apart from our competitors and I am proud of what our business has been able to achieve in what has been a difficult latter half of the year. The COVID-19 pandemic and the extent of its long-term economic impact is unknown. As an essential service our branches continued to operate throughout the lockdown period, to provide support and assistance to our customers, many facing challenging and uncertain financial circumstances. I am extremely proud of our team and its ability to adapt to the changes that were necessary to keep our staff and the community safe during this time. I would like to thank our customers for following the measures inside our branches during this time to keep both them and our staff safe.

Despite the uncertain COVID-19 environment, the RBA cash rate sitting at historic lows and increasing competition, we delivered total income of almost $5.4m which was an increase on the previous year of 10%. Our total footings grew by 8% to $830m and our profit by 80% to $717,000 largely due to the reduction in Community Investment for the year due to COVID-19. We returned a dividend of 7 cents per share to Shareholders in 2019, taking our total return to Shareholders over the past 17 years to more than $1.5 million. We live by our purpose to feed into the prosperity of our community and, as a result, we have cultivated strong, mutually beneficial relationships with our customers and communities, and this sets us apart from our competitors.

Whilst the growth in customers choosing to deal with us remotely, via internet and phone continues to increase, the ability to have face-to-face conversations with staff in our branches is highly valued. We continue to work to ensure our branches reflect changing customer preferences and maintain our deep connection with our community. We have seen competitors close branches in the Ashburton and Balwyn shopping precincts in the past 12 months. Our 'We are local and here to stay' campaign has provided our customers and prospective customers reassurance that we understand the importance of maintaining our connection with our local shopping strips as a way to remain relevant to our communities.

Our support to our community continued throughout COVID-19. Over the last few months we made available special Grants for COVID-recovery initiatives for community organisations directly impacted by the pandemic. Through these grants we have been able to provide personal protective equipment for aged care facilities and touch free taps for a disability centre. We supported emergency food relief for vulnerable members of our community and local international students who are unable to work and not eligible for government support. We also provided funds to purchase technology to allow aged care facilities and welfare centres to remain connected with their families and program participants.

In the past 12 months we have invested another half a million dollars into our community, taking our total community investment to more than $5.6 million since the opening of our first branch more than 17 years ago. The return to our community through our Community Investment Program is lower than in previous years, due to the reduction

Above: *Business Breakfast, The Changing Face of Women in Sport.*

Above: *$50,000 Bushfire Relief Appeal Donation.*

in community activity and fewer applications being received during the COVID-19 period. This has resulted in a better than expected operating profit for the year.

We are working on a strategy to use the funds not invested in our community this year, during the year ahead. Investigation has commenced into those areas in our community of greatest need and how we can work with our community partners to assist them to get back on their feet. Now is another opportunity to show the benefit of having a local Community Bank.

The bushfires that impacted so many Victorian and interstate areas at the end of 2019, left communities isolated and devastated local economies. The Board felt for our colleagues in country Victoria and we wanted to assist these communities and are proud to have been able to make a donation of $50,000 to the Bushfire Disaster Appeal. The appeal, established by the Bendigo Bank directs 100% of donations to communities in need and our donation has provided support to Victorian communities impacted by the fires.

As part of our strategy to establish a new management structure, Nick Coker has been promoted to Chief Executive Officer and Maggie Stamoulis to Senior Manager. This provides the company with a strong executive team responsible for the growing company. With four branches and their staff, and four mobile relationship managers, our business requires a strong executive to ensure its sustainability.

To this end we have leased additional premises in Maling Road, Canterbury which will relocate our existing Canterbury branch and become our new head office. The new branch and office space will not only provide a home base for our executive team and mobile relationship managers but also a board room and multi-purpose space that will be available for use by community organisations. This branch is adopting all the new thinking from Bendigo Bank about what a branch will look like into the future. We look forward to welcoming all to the new branch before the end of the year.

Our focus on investing in youth continued throughout 2019. The Boroondara Youth Foundation welcomed The Honourable Josh Frydenberg MP, as its special guest at the presentation event in 2019.

Our Business Boardroom program in 2019 provided an opportunity for four students from local secondary schools to participate in a number of activities providing them with an insight in to the operation of a publicly listed company. The program was reviewed at the end of 2019 and changes made to offer the program to university students in 2020. Unfortunately, COVID-19 has resulted in us deferring all youth programs in 2020.

We expect continued challenges in the year ahead as the impact of COVID-19 on the financial services industry will become more apparent. The current low interest rate environment and the increased competition in the sector will continue to challenge us. We maintain our commitment to always excel in customer service, offer a seamless customer experience, advocate for our customers and support our communities. The partnerships we have developed across our community stand us in good stead to grow our business into the future despite a difficult and uncertain economic climate.

It takes a team to operate a successful company and I am very grateful to the team of dedicated people who work with me. The talented and experienced group of Directors who are engaged and committed to achieving great things for our company and also the community. I would also like to acknowledge Daizy Maan who stepped down from the Board in March. Daizy commenced with us as a youth panellist with the Boroondara Youth Foundation and over some years progressed to become a board member. Daizy provided a younger perspective to the Board which I appreciated and we wish her well for the future.

I would also like to acknowledge the contributions of our staff, managers, our CEO Nick Coker and Senior Manager, Maggie Stamoulis. The level of service and professionalism provided by our team throughout recent challenging times has demonstrated their commitment to our business and care for our customers.

On behalf of the Board, I thank you our shareholders for your continued support of our company. Your support and banking builds a stronger community. The more we can grow our business the more we can contribute to our community. Please refer your family, friends and work colleagues to us so we can continue to grow and invest in our community.

Juliann Byron
Chairman

Above: *Juliann Byron welcomes guests to the Business Breakfast.*

Above: *Nick Coker, Nicole Livingstone OAM, Juliann Byron and Dr Peter Brukner OAM.*

Above: *Mary Heath, Boroondara Youth Foundation, The Hon. Josh Frydenberg MP and Juliann Byron.*

Chief Executive Officer's Report

We have experienced many challenges throughout the 2020 financial year and have continued to focus on our key values to drive business growth and community investment.

- *Teamwork — Supporting our customers, community groups and our people.*
- *Performance — Overall business growth of 8% resulting in total footings of $830M.*
- *Leadership — Implementation of our management structure to continue to drive a successful business into the future.*
- *Engagement — Community Investment through sponsorships and grants exceeding $5.6M.*

The most significant impact over the past financial year has been the COVID-19 pandemic. In these extremely uncertain times, we are doing all we can to support our customers, community groups and our people. I am extremely proud of how our staff have responded, swiftly adapting to this unprecedented event. We are here for both our customers and community groups, working with them through the challenges ahead. We are well positioned to adapt to this challenging, rapidly changing environment.

Our strong (and long term) personal relationships developed through our customer base, community groups and business partners, leaves us well placed to deliver better outcomes and greater support and understanding of their needs. We stand apart from our competition by providing exceptional service and wanting to better understand our customers' needs. We maintained good results in the risk and compliance audits in this environment of tightening regulation and compliance requirements.

The overall growth figures achieved for the year compare very well with growth in the banking systems broadly, and within the Bendigo Bank network. Total footings are sitting at $830M which is up $61M or 8% for the year. We had a pleasing year in lending growth achieving $27M which represents an increase of 7%. Deposits also grew by $34M representing an increase of 8%. Although growth targets overall were not met, we achieved a solid revenue performance reflecting good overall business growth, increased products per customer combined with continued improvement in insurance sales.

With Interest rates continuing at their lowest point for generations, retail banking has become even more competitive. Our customers and community partners value the personal interaction and service provided and this is an area we will continue to focus on. Whilst many of our competitors are closing branches in our shopping strips, our branch network is here to stay.

We are now 12 months into the new leadership structure, with Maggie Stamoulis taking on the Senior Manager role and my move to Chief Executive Officer. This resourcing has enabled a more focussed approached across the business, driving key deliverables identified in the strategic plan. Maggie continues to work well with the Branch Managers and their teams, building the capabilities and capacity to deliver exceptional results moving forward.

I have continued to work closely with our Mobile Relationship Managers, Jatin Awad, Nick Azar, George Kapelles and Aaron Knott, ensuring this workforce continues to make a strong impact on business results and remain relevant and connected to our referral networks and community groups. This has been a major investment for the business, and we see this offering as a key component towards ongoing success.

I would like to thank Maggie Stamoulis, the Mobile Relationship Managers, the Branch Managers (Anjali, Dane, Kathy and Robert) and their teams for their commitment and drive in making this such a successful and enjoyable work environment. Our people have been challenged with the significant impact of COVID-19, however they have stepped up, pulled together and looked after one another, our customers and our community groups.

Our Community Investment Program continues to thrive, and we have now invested more than $5.6M into our local community which has made a substantial impact to the many groups and organisations that have benefitted from these proceeds. This is a continued area of focus for the business as we look to leverage the member base from these organisations, providing individuals with financial solutions that also return a positive impact to the wider community. Our shareholders and existing customers are to be congratulated for their contribution towards this community investment.

We receive great support from our Board of Directors who are all passionate community members driven to build a sustainable business that invests in its people and the community. I would like to acknowledge and thank them all, together with our Treasurer Ian Dinnison for the great support and for sharing their vast knowledge and experiences with me and the team.

I would also like to thank our Marketing Manager, Anna Gration and Executive Officer, Rose Laird for all their support. As we continue to grow and evolve, the demands and complexities increase, and we are well supported by them across the operational side of the business.

We have benefited from the consistent support that Simon Sponza and his team from Bendigo and Adelaide Bank Ltd have provided, and they continue to be a proud partner of the local community company.

Nick Coker
Chief Executive Officer

01: *The Balwyn Team at the Balwyn Primary School Fair.*

02: *The Community Bank glitter station at the Ashburton Festival.*

03: *We are local and here to stay campaign, Ashburton branch.*

04: *Boroondara Youth Foundation award recipients.*

05: *Maggie Stamoulis and Juliann Byron enjoy the Mont Albert Cricket Club ladies lunch.*

06: *Musical entertainment at the Ashburton Festival.*

07: *The Edge Community Fund receives funding support for their Annual Easter Raffle.*

08: *The Canterbury Team and Maggie Stamoulis at the Kris Kindl Festival in Maling Road.*

09: *The Balwyn Rotary Club, Rail Day for children with a disability.*

10: *Anjlai Marcou presents the Surrey Hills Music Festival with our sponsorship cheque.*

Treasurer's Report

Operating results

Despite challenging business conditions, the mix of our footings contributed to a 10% increase in revenue. Operating expenses increased by 6%, due in part to recruiting additional experienced staff.

Our sponsorships and community grants of $494,000 were 34% of our Operating Profit due mainly to reduced requests from sporting clubs not operating during the current pandemic.

Pre-tax profits increased by 73% from 2019 to $976,000.

The Board continues to monitor the potential future effects of Bendigo Bank's "Project Horizon" review, and the capacity to increase contributions to the local community and shareholders.

Community investments, dividend and salaries

Net Profit after Tax

Net Asset Value — Cents per share

Dividends

In October 2019, the Company paid a dividend of 7 cents per share based on the performance of the 2019 financial year.

The Directors have determined that a fully franked dividend of 7 cents per share will be paid for the 2020 year, which is to be paid in October 2020.

At the 2019 AGM shareholders approved the proposal by the Board to continue the on-market share buy-back program during 2020 to reduce the equity base of the Company and improve the overall use of capital. The company bought back 75,640 shares in the year ended 30 June 2020 at an average of 86c per share.

Ian Dinnison
Treasurer

The Year in Review

Growing the business and our investments in the community is at the heart of everything we do. Our customers and community are at the very centre of our business, we deliver solutions to enhance their economic and social wellbeing.

Business Growth

Our Objectives

Recognising the current economic challenges faced by the banking sector, we will focus on business growth through our existing partnerships, community relationships and strong customer base. The impact we can have within our community, through our Community Investment Program, is reliant on the continued growth of our business. The key strength of our business is the genuine connection with the community that banks with us.

We will engage more effectively with our existing customer base to identify their needs and offer solutions, with the objective of improving customer retention and increasing the number of products held by each customer.

We will consolidate relationships with our business and referral partners, to expand the product offering to their clients, and increase awareness of our product and service offering.

We will enhance our communication strategy to customers, shareholders and community organisations, to increase awareness and grow.

As one of Australia's largest and most successful Community Bank Groups, we are very proud of our strong and valued brand, our commitment to great customer service and our role in our communities. Our Community Investment is possible only because our customers choose to bank with us.

Our Actions

Despite the challenges over the past 12 months we have been able to achieve overall business growth of 8%. This is an enviable position within the Community Bank network and the broader banking sector. Our total footings now total $830 million.

We did not meet our retention objectives over the past year due to the competitive nature of the market and the environment, however it remains a key focus for us over the year ahead.

Our team of dedicated staff providing service in the branches together with our mobile relationship managers, have been successful in expanding the product mix of existing customers and acquisition of new customers. We have staff available 24/7 to visit customer homes and workplaces in addition to the personalised and friendly service we provide through our branch network.

We continued to work closely with the community organisations we support and have been successful in acquiring new business through this channel. Creating a true community partnership with these organisations is one of our greatest achievements. Local people support us through banking and we support their club or group through sponsorships and grants.

The Better Big Bank is here to stay campaign utilised billboard, cinema, print and digital advertising channels locally which complemented the National television and radio campaigns undertaken by Bendigo Bank.

Structuring our company for future success

Our Objectives

As our business grows, the structure of our business continues to be reviewed.

We will focus on our staff retention through the implementation of a talent management and mentoring program that will provide career development opportunities for aspirational staff.

We will continue to upskill our staff to ensure they can meet the needs of our customers.

We will establish a head office to allow the executive team and support staff to more effectively collaborate. This will also provide a base for our mobile relationship managers.

Our Actions

The appointment of the Chief Executive Officer role to provide leadership for the business has enabled our Board to focus on strategy. With responsibility for overall company performance, the appointment of the CEO role has been important as we continue to grow.

The Senior Manager role is focused on the operation of the four branches and has been valuable in providing mentorship for branch staff. We are focused on caring for, listening to, and providing development opportunities for our people.

An engaged, happy and diverse workforce is essential for our business success. We have been committed to employing the right mix of staff to meet the needs of our diverse community, and ensure our staff undertake regular training so that they can provide the levels of customer service that are fundamental to the community bank offering. Our employees are engaged to share our values, are passionate about helping our customers and partners succeed, and go about their job in a way that creates value for all our stakeholders.

We recognise the achievements of our staff in many ways and we align this recognition with our company values, to ensure these values are lived by each and every one of our staff.

We have leased premises in Maling Road, Canterbury, where our head office will be located. Together with the new look Canterbury Branch, this new office and multi-purpose space will provide a more collaborative working environment for our team.

Building Stronger Communities

Our Objectives

We continue to strengthen our relationships with our identified community groups. These organisations provide an opportunity for us to grow our business and we provide a revenue stream for the community group to achieve its objectives.

We will enhance the marketing activities and support provided to our community organisations, to ensure we share our community story across traditional, digital and social media.

We will utilise our social media assets to promote our relationships with our community in addition to the promotion of special offers and products. We will broaden the reach of our community newsletter to share our achievements.

We will work with federal, state and local government, as well as community partners, to identify significant local project/s that we can support.

Our Actions

Never in our history has community strength been more important. The long-term impact of COVID-19 is uncertain. We have been able to support organisations requiring urgent funding to ensure the continuation of services to those most vulnerable in our community. We supported emergency food relief for local international students who are unable to work and not eligible for government support, in addition to other families in our community facing financial hardship. Funds were provided to purchase technology to allow aged care facilities and welfare centres to remain connected with their families and program participants. Providing support for vulnerable members of our community and those community organisations that support them, ensured the wellbeing of these individuals was sustained during these difficult times.

The diversity of our Community Investment in the past 12 months demonstrates our commitment to support all sectors of our community. Whilst our overall contribution is lower than in previous years, largely as a result of a decrease in community activities due to COVID-19, we anticipate there will be a greater need for our support in the coming 12 months.

We provided a $50,000 donation to the Bushfire Disaster appeal, where 100% of this donation is being directed to Victorian communities impacted by the devastating fires.

We continued our story telling with the community organisations we support. Utilising our social media and digital assets to share our story has and will continue to be an important communication channel for our company.

"With support from Canterbury Surrey Hills Community Finance Limited, Alkira has installed hearing augmentation for participants, visitors and staff. It provides voice and audio direct to hearing aids, receivers and a range of other devices located around Alkira. One participant, Edward*, has been hearing impacted since birth. With the hearing loop he is now able to participate more in activities, follow instructions, and interact better with the group. We are now working with Edward to develop further language skills. We have also seen significant benefits in group activities and engagement for people with auditory processing conditions."

– Shelley Stretton, Alkira Centre-Box Hill

**name changed for privacy*

Our Future Focus

Adapting to change

It is anticipated that the needs of all our stakeholders will change over the next 12 months and beyond. The economic impact of COVID-19 will be long-term and its extent uncertain. We will need to adapt to meet the needs of our customers, and community partners some of whom will be facing difficult financial circumstances.

We will set up a framework for assisting those in our community who need assistance in this COVID-19 environment. We are working on how best to help those community partners to ensure they are able to remain sustainable which is in the best interests of the whole community. Every person in our community is feeling the impact and we believe we are in an ideal position to help.

We also need to adapt in our working environment. While the number of customers coming into the branches has reduced, excellent customer service will continue to be at the core of what we deliver to all our stakeholders. We will listen and aim to provide solutions to their needs. We will also be reaching out to many of our customers with telephone calls to ensure we are providing everything they need.

As customers increasingly utilise technology to transact with us, our commitment to our branch network remains unchanged. While the look of the branches may change over time, the personalised face-to-face service provided by our staff is highly valued by our customers and will remain.

Investing in our Community

Investment in our community will have even greater importance over the year ahead. We will be providing additional assistance over the year which will be spread amongst the community as we all struggle with the uncertainty in our lives. Our expectation is that demand for our support will grow over the next 12 months and beyond. Many community groups will have to make changes to the way they operate in order to maintain service delivery.

The demand for community welfare services will increase and we will need to support these organisations so they can continue to provide their essential services to those most vulnerable in our community.

Creating meaningful and successful partnerships with our community organisations will continue to be a focus of our marketing campaign. We will ensure our community groups understand what is possible through a mutually beneficial relationship.

Our commitment to the disability and aged care sector will continue to be a focus, to ensure these services can thrive in challenging times.

Growing our Business

Business growth will continue to be a challenge. The uncertainty of the economic environment makes it very difficult to forecast our growth for the year ahead, however our fundamentals are strong and we believe we will continue on the path to growth. Once again, the partnerships with the community organisations we support and referral networks will be critical in driving growth.

We will continue to work closely with our sponsored groups to promote the Community Bank story to their members and supporters, while emphasising the benefits of our partnership. We will use our social media channels and website to share our community stories and reassure customers we are here to stay and help our community through these uncertain times.

We will continue to deepen the relationships with our existing customers as we focus on retention of our customers which is imperative to our ability to grow.

Senior Manager's Report

This year, with all its challenges, has compelled us to consider what is our new normal and how will we adapt to ensure our customers and community continue to be supported into the future. In my first year as Senior Manager, having been with the company for the last six years, the landscape has been fluid, yet our resolve has stayed firm. With our strategy clear, we have achieved a year of sound business growth and strong support to our customers, shareholders and community partners. Across our branches, there has been a solid contribution and commitment from our Branch Managers and their respective teams. We have received invaluable support from our Board, CEO and Mobile Relationship Managers enabling a one-team approach to our ongoing success.

We welcomed two new Branch Managers, Dane Sheppard, who commenced at Canterbury branch in December and, Robert Feltrin at Balwyn in January. Dane and Robert join Kathy Koulouris at Ashburton and Anajli Marcou at Surrey Hills. Our diverse and experienced leadership team, together with their teams in each branch, are committed to delivering strong business performance and, most importantly, an excellent customer service experience.

We have faced some hurdles during the year, with the competitive nature of interest rates prompting customers to review their financial positions. Competitor pricing, inclusive of cashback offers increased the importance of being able to provide a personalised and tailored response to our customers.

Mutually beneficial working relationships, with our community partners continues to be a priority for our branches. We support annual events such as the Surrey Hills Music Festival in Union Rd, the Maling Rd Kris Kindl Festival in Canterbury and the Ashburton Festival in High Street. Our financial support to these events allows festival organisers to offer a variety of free entertainment and activities.

We also continue to work with our local sporting groups, providing funds for new equipment, facility improvements, coaching resources, uniforms and training programs. We have also been pleased to be able to support sporting groups with mental health awareness programs.

Branch Performance

Ashburton

Branch Manager, Kathy Koulouris
Mobile Relationship Manager, Jatin Awad

Total Footings: $176.7m

	2019–2020		2018–2019	
	(Million)		(Million)	
Lending Growth	$19.8	29.7%	$5.8	9.5%
Deposit Growth	$15.2	17.1%	$9.1	14.3%
Other Business Growth	-$2.0	-48.8%	$0.8	23.5%
Total Growth	$33.0	23.0%	$15.7	12.2%

Balwyn

Branch Manager, Robert Feltrin
Mobile Relationship Manager, Nick Azar

Total Footings: $212.1m

	2019–2020		2018–2019	
	(Million)		(Million)	
Lending Growth	-$9.2	-8.0%	$2.3	2%
Deposit Growth	$13.2	14.1%	$5.3	7.1%
Other Business Growth	-$5.5	-29.7%	$1.3	7.5%
Total Growth	-$1.6	-0.7%	$8.9	4.3%

The advocacy amongst our community groups, has demonstrated a pleasing level of trust and mutual respect and an aligned goal to the prosperity of our local communities. This has resulted in club players and members, and their family and friends, choosing the Community Bank for their lending (personal and business), transactional and insurance needs. Not only are we able to provide a competitive offering but also personalised service with the aim of forming long term working relationships.

A key action earlier this year was the invitation to all team members to participate in a staff survey. As a business we want to continue working towards providing an outstanding work environment for all. It is important that we retain the wealth of experience that lies across the whole group, that we remain an employer of choice and continue to nurture an environment that provides every opportunity to develop and grow whilst enjoying our time at work. Having the four branches and a strong mobile relationship team, we are in a fortunate position where we can draw on a breadth of knowledge and expertise across the business.

We have had great reasons to celebrate some important milestones with our team members. Work anniversaries not only gave us the opportunity to recognise some of our newer team members but also those who have been here a little longer, with up to 10 years of service being recognised through the 2020 financial year. We also said farewell to one of our longest serving team members, Helen Sargeant, most recently working at Surrey Hills branch. Having worked for the group for the last 10 years Helen's dedicated approach to caring for her customers and colleagues means she will be missed enormously. We wish her the very best in the future.

I must sincerely thank the staff for their resilience and commitment from the time COVID-19 became a reality in our everyday lives and work practices. All branches have been vigilant in maintaining strict guidelines around cleanliness and social distancing for our customers and the work areas within each of our branches. Our foot traffic has declined, however the team continue to stay connected as much as possible with our customer base, by phone and email. There was also the important task of assisting our customers with a range of repayment assistance initiatives announced by the Bendigo Bank. Many reached out to the frontline team who were then able to act swiftly on requests received. Our frontline team has risen to the challenge of the 'new normal' in the way that business is conducted.

Maggie Stamoulis
Senior Manager

Canterbury

Branch Manager, Dane Sheppard
Mobile Relationship Manager, George Kapelles

Total Footings: $195m

	2019–2020		2018–2019	
	(Million)		(Million)	
Lending Growth	$6.4	8.5%	$3.5	4.9%
Deposit Growth	-$7.8	-8.3%	$4.8	5%
Other Business Growth	$6.7	48.2%	$9.9	225%
Total Growth	$5.5	2.9%	$18.9	10.6%

Surrey Hills

Branch Manager, Anjali Marcou
Mobile Relationship Manager, Aaron Knott

Total Footings: $246.2m

	2019–2020		2018–2019	
	(Million)		(Million)	
Lending Growth	$10.1	9.6%	-$0.5	-0.4%
Deposit Growth	$16.9	13.8%	-$2.1	-2%
Other Business Growth	-$2.3	-19.0%	$0	0
Total Growth	$24.5	11.1%	-$2.6	-1.1%

Above: *Hawthorn Amateur Football Club men in full flight.*

Above: *Anna Gration and Nick Coker launch our partnership with the Box Hill Hawks.*

Above: *Ashy Redbacks Junior Football Club.*

Above: *Ashy Redbacks Junior Football Club.*

Above: *Training at the Eastern Lions Soccer Club.*

Above: *Waverley Hockey Club closest to the pin winner.*

Community Report

The Community Investment Program has contributed more than half a million dollars into local community projects and initiatives in the past 12 months. Our investment in our local community is what sets us apart from our competitors and is at the heart of what we do. Local people support us through banking with us and we invest our profits directly back to our community. We have invested more than $5.6 million dollars and supported more than 300 community organisations since the opening of our first branch in 2003. We are committed to continuing this support and building strong communities.

$5,665,261

Total community investments since 2003

Community Support 16%, $0.9 million

Community Welfare 25%, $1.4 million

Education 6%, $0.3 million

Sporting Clubs 44%, $2.5 million

Community Projects 9%, $0.5 million

Above: *Piggy enjoys the Maling Road Kris Kindl event.*

- Community Group & Events 30%
- Community Welfare 28%
- Schools & Early Childhood 5%
- Sporting Clubs 37%

Total Community Investment 2020

In 2020 we made contributions to 90 community organisations investing more than half a million dollars. The contribution to sporting clubs was smaller than previous years, largely due to the reduction in community sport due to COVID-19. We made a significant contribution to community welfare and our grants in response to COVID-19 are included here.

- Personal Protection Equipment 43%
- Facilities 11%
- Emergency Food Relief 23%
- Technology 23%

COVID-19 Grants

In addition to the ongoing Community Investment Program, we made available grants to organisations who needed immediate support to respond to COVID-19. We provided almost $20,000 in just over two months to assist community groups with personal protective equipment, emergency food relief and facility and technology updates. This enabled these organisations, most of whom support the most vulnerable and needy in our community, to continue to offer their services.

Bushfire Relief

We provided a $50,000 donation to the Bushfire Disaster Appeal established by Bendigo Bank. 100% of all donations are directed to communities in need.

- Youth Groups 30%
- Lions/Probus/Rotary 19%
- Traders 11%
- Other 15%
- Health & Wellbeing 11%
- The Arts 14%

Community Groups & Events

This part of our Community Investment Program includes special interest groups, community and trader events, and our investment in youth programs. Our contribution to youth through the Boroondara Youth Foundation, the Magic Moments Foundation and the Business Boardroom program continued until the end of 2019. The impact of COVID-19 has resulted in these programs being deferred in 2020.

We provided a grant to the Sugar by Half program, committed to improving the health and wellbeing of our community through education about the impact of sugar in our diets. We supported musical theatre, local arts, several rotary projects and local Traders Associations with community events.

- Disability 53%
- Other 8%
- Aged Care 39%

Community Support

Community support includes aged care and seniors, welfare and disability support. Organisations in this sector provide highly valued and important support for some of the most vulnerable in our community and are often reliant on government and philanthropic support to maintain services. We were pleased to have been able to provide a significant contribution of our total funds to these organisations. We were able to fund a hearing loop system for a disability centre, outdoor projects including kitchen and sensory gardens in both aged care and family centres. We funded the purchase of personal protective equipment in aged care centres and provided funds for technology upgrades to enable communication and continuation of important services online during COVID-19. Financial support was given to organisations providing emergency food relief to members of our community experiencing financial hardship including international students who lost employment during COVID-19 and who were ineligible for government assistance.

- Early Childhood 14%
- Schools 86%

Education

Our contribution to schools and early childhood centres remained consistent with previous investments in this sector. We supported various school fetes, art shows and fundraising activities. We provided storage facilities at an early childhood centre and uniforms for interschool sport. A defibrillator was provided to a local primary school and we welcomed some new school partnerships.

- Bowls 5%
- Cricket 34%
- Football 31%
- Hockey 10%
- Netball 6%
- Soccer 11%
- Other 3%

Sporting Clubs

36 local sporting clubs across 11 different sports received funding from us in the past 12 months, demonstrating our commitment to supporting this broad sector. We support clubs that provide opportunities to all ages, gender and ability. Football and Cricket clubs received significant funding to support facility upgrades and the growing participation numbers in both sports. We again invested in clubs providing mental health and support programs for their players and families. We provided equipment, uniforms and funds to enable clubs to meet the return to sport requirements resulting from the COVID-19 pandemic.

Directors' Profiles

Juliann Ruth Byron, Chairman

(appointed July 2004)

BCom, Grad Dip CM, FCPA, FAICD, AGIA, ACG(CGP)

Juliann has extensive experience in the accounting and finance fields. She has also provided corporate secretarial, management and governance consulting services over many years, and is a non-executive Director on public and not for profit company boards. Juliann is a member of the Finance Committee, Staff Committee, Community Investment and Marketing Committee, Events Committee (to November 2019) and the Audit and Governance Committee. As Chairman, she also attends other Committee meetings as required.

Robert Einar Stensholt, Deputy Chairman

(appointed February 2002)

BA, BD(Hons), M Int Law, Dip Phil

Bob has had an extensive career including roles as a senior diplomat, Assistant Director General for AusAID, senior research fellow, consultant and for over ten years as the state Member of Parliament for Burwood. Bob was most recently a Chief of Staff to a Victorian Government Minister. Bob is Chair of the Audit and Governance Committee and a member of the Community Investment and Marketing Committee, Events Committee and Finance Committee.

James Craig Grant, Director

(appointed February 2017)

B.Ec (Accounting), Grad Dip. Finance and Investment, Dip. Financial Planning

James has spent over 35 years' in banking and finance, financial planning and dispute resolution. He has extensive client facing and senior management experience in banking and finance and wealth management products, services and their delivery to business and wealthy clients. James is the Chair of the Staff Committee and is a member of the Finance Committee.

Damien Leo Hudson, Director

(appointed February 2002)

Damien has over 25 years' experience in local community organisations. In 2011, Damien established "Opening Halls", a business providing management and consultancy services to community organisations focusing on revenue generation, marketing and membership. He also works part time within the membership department of Freemasons Victoria, focusing on building the membership of that organisation. Damien is Chair of the Events Committee.

Daizy Maan, Director

(appointed February 2016 — resigned March 2020)

Daizy is the founder of Bold Punjab a global initiative to empower South Asian women to be impactful leaders and entrepreneurs. She leads Deakin University's Entrepreneurship program—SPARK Deakin and serves on the Advisory board for Centre for Sustainable and Responsible Organisations within the Deakin Business School. She has served as a delegate for the Australia India Youth Dialogue and the G20 Young Entrepreneurs Alliance. She was awarded Boroondara Young Citizen of the year in 2015. Daizy was the Chair of the Youth Advisory Committee (to November 2019).

Hans Diederick (Dick), Menting Director

(appointed February 2002)

BCom, MBA

Dick was the foundation Chairman of Canterbury Surrey Hills Community Finance Limited and previously spent 35 years in banking, finance and administration. Dick retired as a Councillor for Boroondara City Council and continues to run a local small business. He is Chairman of the East Metro Collaborative Group for Cricket Victoria. Dick is the previous Chief Executive Officer, a member of the Staff Committee, Finance Committee and the Community Investment and Marketing Committee.

Michael Sapountzis, Director & Company Secretary

(appointed March 2019 & January 2017 respectively)

BCom, LLB, GDLP, AGIA, MAICD

Michael is Company Secretary, Chair of the Youth Advisory Committee (to June 2020) and a member of the Staff Committee. Michael has over 10 years' professional experience providing compliance and regulatory support across a range of industries and sectors. Michael specialises in corporate governance, human resources and board and company secretariat support.

Andrew Graham Whittaker, Director

(appointed May 2016)

FCA, GAICD

Andrew has over 40 years' experience in a variety of professional services and senior executive roles. He was formerly a partner with PwC and Ferrier Hodgson and has worked across a variety of industry sectors, including banking, providing performance improvement and governance advice. Andrew is Chairman of the Community Investment and Marketing Committee and is a member of the Audit and Governance Committee.

Ian Adrian Dinnison, Treasurer

(appointed December 2016)

LLB, BEc

Ian has more than 35 years' experience in industry, government departments and professional services firms in financial and management roles. He is the Chair of the Finance Committee and attends the Board and Audit and Governance Committee meetings as required as a non-voting member.

Governance Report

Canterbury Surrey Hills Community Finance Limited (Company) places great importance on its governance framework, adopting a proactive approach to ensure the structures, values and behaviours of the Company have the interests of its stakeholders as a focus.

Policies and procedures to ensure compliance with the law

The Company has adopted the following governance strategies, policies and procedures to ensure it complies with the law, including the Corporations Act and the NSX Listing Rules:

Board Governance Framework

The Board has identified and documented the roles and obligations of its Directors and Officers in a Board Governance Framework. The Board Governance Framework promotes ethical, considered and independent judgment of the matters before the Board, set out as a Code of Conduct. It highlights the statutory obligations on Directors and Officers generally and also sets out the expectations that are placed on them in terms of the time dedicated to the Company's affairs.

Regulatory and Compliance Calendar

The Company's regulatory and compliance requirements have been defined and listed in an annual regulatory and compliance calendar, which is reviewed by the Audit and Governance Committee monthly. The individual items due for completion are reported by the Company Secretary to the Board each month. The Company Secretary manages all NSX and ASIC reporting requirements, and monitors compliance with the Franchise Agreement and Company's Constitution.

Share Trading Policy

All staff including Directors and Officers are not permitted to trade in the Company's shares except during two periods following the disclosure of the Company's accounts, and provided that they are not in possession of "Inside Information".

Privacy Policy

The requirements of the Australian Privacy Principles have been incorporated into a Privacy Policy that considers the privacy of shareholders, community groups and other stakeholders.

Audit and Governance Committee

This Board Committee has a special role in ensuring the Company complies with its corporate governance obligations and requirements. More details are set out below.

Policies and procedures to ensure the Board acts with due care and diligence and in the interests of its shareholders

Company Structure

The Company does not have an extensive executive structure because of its scale and the desire of the Board to be directly connected to the local community. The executive consists of the Chief Executive Officer, Senior Manager, Company Treasurer and Company Secretary.

Due to the size and scale of the Company, Directors are heavily involved in many practical roles such as marketing and risk management that might otherwise be overseen by an executive in a larger company. Directors are not specifically remunerated for this (see details of this policy in the Remuneration Report from page 32). The Board in conjunction with the Staff Committee monitor and review Director remuneration at least bi-annually.

Details of each Board Committee is provided below.

The Board Governance Framework established a list of responsibilities that were delegated to Committees or Officers, and also ensured certain responsibilities remained the responsibility of the Board.

This has been developed into a comprehensive Delegations Register, which identifies the specific Officer or Committee with delegated authority from the Board and any limits that apply to that delegated authority.

It is the Board's policy that a majority of its Directors are independent. This is currently the case.

Board Performance Review

The Board Governance Framework identifies how the Board's performance is reviewed. The broad policy requires:

- The Audit and Governance Committee to conduct a review of the Board as a whole annually. This may be an externally facilitated review if the Board considers this necessary;
- The Chairman and the Chair of the Audit and Governance Committee to review the performance of the Committees annually; and
- The Chairman to meet with each Director annually to review each Director's personal performance.

The Chief Executive Officer has a documented performance plan that is approved by the Board annually for the following calendar year and this is monitored by the Chairman.

Role of the Chairman

The Chairman's role is defined in the Board Governance Framework and sets out a range of roles that deal with leadership of the Board and the Company generally. The principal role is to facilitate effective discussion and decision making at Board meetings of material relevant to the conduct of the Company. The Chairman must be, and is, an independent, non-executive director.

Role of the Chief Executive Officer

The Chief Executive Officer provides leadership to programs that broadly include implementation of business and people and culture strategies, business growth, asset management, communications and community relations. The Chief Executive Officer is responsible for the banking operations and provides the Board with a direct link to Bendigo Bank and its systems and procedures.

Board Appointments

The Board has prepared a Skills Matrix to identify the various skills and experience of its current members and to assist it to identify the skills that need to be recruited to the Board in the future. The Board does not have a standing Nominations Committee but will appoint a Nominations Committee from time to time when considering the appointment of a new director. All new Directors must satisfy a comprehensive due diligence process that meets the requirements of the Company's and Bendigo Bank's risk management systems including police and background checks.

Directors are elected by shareholders for a maximum of three years with retirements on a rotating basis. The Chairman, as part of their annual discussion with Directors, will canvas each Director's view of their future plans to remain on the Board. The Board considers succession planning for the Board, CEO and Senior Manager at least annually.

An induction procedure is in place to ensure all new Directors are able to learn as much about the Company as possible in a short time frame and contribute to the Board's functions as soon as possible.

The Board does not have a formal diversity policy because of the scale of the Company and the small geographic area the Company serves. The Board does have an aspiration to have greater gender balance on the Board but is mindful that service on the Board is not remunerated on commercial terms and the limitations this creates.

Policies and Procedures to identify and deal with conflicts of interest

The Company maintains a Conflicts of Interest Register to record each Director's ongoing material personal interests. The register is managed by the Company Secretary and is tabled at each Board meeting. Every Board and Committee meeting also has a scheduled item calling for Members to declare any actual or potential conflicts of interest ahead of the scheduled agenda items.

The Conflicts of Interest Register is supported by a written policy on how actual and potential conflicts of interest must be managed. Conflicted Directors are required to be abstain from discussion(s) on the conflicted issue. The policy also defines how a decision to obtain products or services from a Director must be taken, including ensuring the transaction is on arm's length terms.

Policies and Procedures to protect the interests of shareholders

Communication Procedures

The Company aims to provide timely and relevant information to shareholders throughout the year via its website www.supportingourcommunity.com.au.

The Company also releases a number of communications including dividend payment advices and notice of annual general meeting in both electronic and written form, which are sent directly to shareholders. It also writes directly to shareholders when the Board considers information is sufficiently important.

The Company applies a rigorous process regarding its continuous disclosure obligations in order to comply with the requirements of the Corporations Act. These disclosures are published on the NSX website at www.nsx.com.au/summary/CSH.

The Company website includes an investor section with greater information resources. The Company recognises the importance of its Governance Framework and provides all stakeholders with access to this information on the website at www.supportingourcommunity.com.au/investor-relations.

Shareholders are able to access forms and assistance for the management of their shareholding from the Company's share registry provider Boardroom Pty Limited at www.boardroomlimited.com.au.

Risk Management

The Company has developed its own formal Risk Management System (RMS) and tools to identify and record the various risks to the Company and its business. The RMS is based on the international standard ISO 31000-2018 Risk Management and is monitored by the Audit and Governance Committee.

Bendigo and Adelaide Bank Limited (Bendigo Bank), as the franchisor to the Company, provides support for the development and implementation of the RMS.

Bendigo Bank provides an internal audit system for the operational and lending risks to each branch and reports the results of these audit visits to the Chief Executive Officer, Senior Manager and the Board.

The Audit and Governance Committee monitors these reports, reviews the implementation of any recommended changes and meets with the Chief Executive Officer and Senior Manager at least every six months to discuss any trends in the internal audit findings. The Committee may also interview Bendigo Bank Audit staff from time to time to discuss the findings from these audits. It also monitors and reviews the Company's risks and risk appetite annually.

Policies and Procedures to protect the interests of other stakeholders

Staff Committee

The Staff Committee manages policy issues regarding the Company's employees including remuneration policies, communication with the employees, reward and incentive programs and development pathways. More information is set out below.

Political Donations

The terms of reference for the Community Investment and Marketing Committee prohibit that Committee from considering donations, grants or sponsorship for political or religious purposes, except in limited circumstances (such as fetes or events) for the purposes of tolerance and understanding. The Company has made no political donations during the 2019–20 financial year.

Committees of the Board

All Committees have been established by the Board and each have a written terms of reference. The Directors' appointed to each Committee are set out in the Directors Report from page 30.

Audit and Governance Committee

The Audit and Governance Committee has been established to review (and where appropriate, recommend changes to) the Company's processes and systems. The Committee has developed an annual workplan to ensure it considers a range of issues and to review at least one written policy at each meeting.

Finance Committee

The Finance Committee has been established to review, monitor and report on finance strategy and direction, financial performance and reporting, financial risk, investments of the Company and shareholders' rights. It also provides the primary input into budget preparation for the Board to approve. The Board has appointed the Company's Treasurer, Ian Dinnison as Committee Chairman.

Community Investment and Marketing Committee

The Community Investment and Marketing Committee has been established to facilitate community investment. It considers how these investments will contribute to the growth of the Company, how they can position our branches as the primary choice within their community for local banking and how we can promote their activities to the community.

The Board has delegated the Committee with an authority to approve sponsorships and grants up to $20,000. Applications for more than this amount must be considered by the Board

Staff Committee

The Staff Committee develops and monitors staffing policies that do not relate to the banking procedures, and oversees the staff remuneration processes. The banking procedures are determined and monitored by Bendigo Bank in accordance with the Franchise Agreement.

Events Committee

The Events Committee has been established to plan and coordinate events that are undertaken by the Company. The Company is serious about its role as a member of our local community, and participates in a range of community events, all of which need substantial coordination.

Youth Advisory Committee (to June 2020)

The Youth Advisory Committee was established to manage various programs run by the Company, such as the Business Boardroom Program, Magic Moments Youth Summit and the Boroondara Youth Foundation. This Committee provided advice and guidance to the Board on issues that affect local youth and suggested ways to improve banking effectiveness targeted at the youth market.

Directors' Report

Your Directors submit their report to the Company for the financial year ended 30 June 2020.

Principal activities

The principal activities of the Company during the course of the financial period were to provide 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.

There have been no significant changes in the nature of these activities during the year.

Review of operations

The review of operations is set out on page 14 to 17.

Further details of the Company's results are provided in the Financial Statements on pages 40 to 43.

Directors' details

The names of the Company's Directors in office during the financial year and since the end of the financial year, including their skills, experience and responsibilities at the date of this report are set out on page 24 and 25.

No Directors have material interests in contracts or proposed contracts with the Company.

Company secretary

Michael Sapountzis was appointed Company Secretary on 25 January 2017. He has extensive experience in providing high level executive support, governance advice and managing the regulatory requirements for a variety of boards including listed public and unlisted companies. Michael holds a Graduate Diploma of Applied Corporate Governance and Graduate Diploma of Legal Practice. He also holds a Bachelor of Commerce (Finance) and a Bachelor of Laws (Hons).

Dividends

A fully franked dividend of 7 cents per share will be paid for the year ended 30 June 2020 on 7 October 2020. A fully franked dividend of 7 cents per share was paid for the year ended 30 June 2019 on 9 October 2019.

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 year under review not otherwise disclosed in this report.

Events subsequent to the balance date

There are no matters or circumstances that have arisen since the end of the financial year 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 in future years.

Likely future developments

The Company will continue its policy of providing banking services to the community.

Environmental regulation

The Company is not subject to any significant environmental regulation.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or intervene in any proceedings which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Share Options

The Company has granted no options on unissued shares at any time.

Indemnification and insurance of Directors and Officers

The Company is required under its constitution to indemnify each Officer (including each Director) of the Company out of assets of the Company to the relevant extent against any liability incurred by that Officer arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The Company has Directors and Officers Insurance for the benefit of Officers of the Company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the Officer's duties.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company or a related body corporate.

Directors' meeting attendance

The number of meetings of the Board and each Board Committee held during the financial year, and the number of meetings attended by each Director, are set out below:

	Board		Audit & Governance Committee		Finance Committee	
Director	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
Juliann Ruth Byron	11	11	7	6	9	9
James Craig Grant	11	10	-	-	9	9
Damien Leo Hudson	11	10	-	-	-	-
Hans Diederick Menting	11	10	-	-	9	8
Michael Sapountzis	11	9	3	2	-	-
Robert Einar Stensholt	11	10	7	7	9	9
Andrew Graham Whittaker	11	11	7	7	-	-
Daizy Maan (resigned 31 March 2020)	8	6	-	-	-	-

	Community Investment & Marketing Committee		Youth Advisory Committee		Staff Committee	
Director	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
Juliann Ruth Byron	10	10	2	2	9	9
James Craig Grant	-	-	-	-	9	9
Damien Leo Hudson	-	-	-	-	-	-
Hans Diederick Menting	10	8	-	-	9	8
Michael Sapountzis	-	-	-	-	5	5
Robert Einar Stensholt	10	10	-	-	-	-
Andrew Graham Whittaker	10	10	-	-	-	-
Daizy Maan (resigned 31 March 2020)	7	3	2	2	-	-

	Events Committee	
Director	**Eligible**	**Attended**
Juliann Ruth Byron	4	3
James Craig Grant	-	-
Damien Leo Hudson	8	8
Hans Diederick Menting	-	-
Michael Sapountzis	-	-
Robert Einar Stensholt	8	7
Andrew Graham Whittaker	-	-
Daizy Maan (resigned 31 March 2020)	-	-

Key management personnel shareholdings

The key management personnel held the following interests in the Company as at 30 June 2020:

			Number of Shares Held 30 June 2020	30 June 2019
Name	**Directly**	**Indirectly**	**Total**	**Total**
Juliann Ruth Byron	2,200	19,800	22,000	22,000
James Craig Grant	2,500	0	2,500	2,500
Damien Leo Hudson	14,582	0	14,582	14,582
Hans Diederick Menting	55,202	0	55,202	55,202
Michael Sapountzis	0	0	0	0
Robert Einar Stensholt	20,350	0	20,350	20,350
Andrew Graham Whittaker	3,850	0	3,850	3,850
Daizy Maan (resigned 31 March 2020)	0	0	N/A	0
Nicholas Richard Coker	0	500	500	500

Non-audit services

The amount paid or payable to the Auditor (RSD Audit) for non-audit services provided during the year ended 30 June 2020 was $Nil (2019: $Nil).

Remuneration Report

a) Policies

Director Remuneration: The Company's special position as a for-profit, community-based company places particular restrictions on how it should remunerate its Directors. The Board has determined the following policy, which was approved by shareholders at the 2018 Annual General Meeting (AGM) and was last reviewed by the Staff Committee in July 2020.

Directors will be remunerated by taking into account two issues. Firstly, the Company recognises the personal liability risk that each director of a listed public company bears and has determined a fee for this risk is appropriate. The current fee for this risk is $10,000 per annum. Each Director is paid this fee, plus superannuation required under the Superannuation Guarantee legislation.

Secondly, certain roles will have a further fee attaching to them as some compensation for the additional work and resources provided by those serving in these positions. The positions and their additional fee are:

Chairman	$20,000
Treasurer	$3,000
Committee Chairman	$3,000
Company Secretary	$3,000

CEO Remuneration: The remuneration of the CEO is determined by the Board. The remuneration of the CEO has been split into two parts. The first is a base salary plus superannuation required under the Superannuation Guarantee legislation, that is not contingent upon Company performance. The second is a bonus, the quantum of which is approved by the Board following a review of the performance of the Company and various Key Performance Indicators set by the Board for the CEO. The Board may, however, exercise its discretion in relation to approving bonuses. All remuneration is made on a cash basis.

The CEO is subject to annual performance reviews. The CEO is employed under an ongoing contract, and the period of notice required under the contract to terminate the employment is four weeks.

The Company did not engage any remuneration consultants in reviewing its remuneration structure for the 2020 financial year. From 1 July 2011, public companies have additional reporting obligations if they receive a 'no' vote of 25% or higher at their previous AGM. At the 2019 AGM, the Company recorded a 'no' vote of 5.17% (2018: 8.77%) on its remuneration report.

b) Details of Remuneration

Remuneration of key management personnel for the year ended 30 June 2020 is set out in the table below. For the purpose of Section 300A(1) of the Corporations Act 2001, the amount of each prescribed detail is nil unless set out in the table:

	Short Term Employee Benefits		Post Employment Benefits
	Cash Salary	Bonuses	Superannuation
Juliann Ruth Byron	$30,000	$0	$2,850
James Craig Grant	$13,000	$0	$1,235
Damien Leo Hudson	$13,000	$0	$1,235
Hans Diederick Menting	$10,000	$0	$950
Michael Sapountzis	$13,000	$0	$1,235
Robert Einar Stensholt	$13,000	$0	$1,235
Andrew Graham Whittaker	$13,000	$0	$1,235
Daizy Maan (resigned 31 March 2020)	$9,000	$0	$855
Nicholas Richard Coker	$180,000	$6,107	$17,680

Loans to key management personnel

There were no loans to key management personnel during the current or prior reporting period.

End of Remuneration Report.

Additional Information

In accordance with National Stock Exchange Listing Rule 6.9, the Company provides the following information as at 30 June 2020:

a) The principal activities of the Company are described above.

b) The Company does not have any subsidiary companies.

c) The interests of each Director and Officer in the Company are set out above.

d) The Accounts presented with this report do not differ materially from any forecast previously issued by the Company.

e) There are no service contracts for Directors that are proposed for election at the forthcoming AGM.

f) There are no arrangements under which a Director has waived or agreed to waive any emoluments.

g) There are no arrangements under which a shareholder has waived or agreed to waive any dividends.

h) Comparative Table of Financial Results.

	2020 ($)	2019 ($)	2018 ($)	2017 ($)	2016 ($)
Profit & Loss					
Revenue from operating activities	5,386,671	4,903,421	4,474,134	4,140,906	3,709,155
Total Expenses	-4,411,154	-4,339,132	-3,865,933	-3,398,555	-3,220,995
Profit from ordinary activities before income tax expense	975,517	564,289	608,201	742,351	488,160
Income tax expense	258,642	166,815	167,255	206,889	146,449
Net profit/loss after tax	716,875	397,474	440,946	535,462	341,711
Net profit/loss attributable to shareholders	716,875	397,474	440,946	535,462	341,711
Balance Sheet					
Current assets	3,614,195	2,783,104	2,694,155	2,445,912	1,782,330
Non-current assets	2,984,374	497,000	460,138	624,794	827,327
Total assets	6,598,569	3,280,104	3,154,293	3,070,706	2,609,657
Current liabilities	961,953	369,881	281,614	409,523	302,812
Non-current liabilities	2,312,020	30,462	18,821	10,957	6,999
Total liabilities	3,273,973	400,343	300,426	420,480	309,811
Shareholders' funds	3,324,596	2,879,761	2,853,867	2,650,226	2,299,846
Earnings per share (in cents)	25.67	13.50	14.53	17.56	11.08
Dividends per share (in cents)	7.00	7.00	6.00	6.00	5.00
Net assets value per share (in cents)	121.39	102.23	94.83	85.91	74.56
Price earnings ratio	3.25	6.30	5.85	3.23	3.82

i) The Treasurer's Report is contained at page 13.

j) The Governance Report is contained at page 26.

k) The following table shows the distribution of fully paid ordinary shareholders:

Holdings Ranges	Total Shareholders	Number of Shares	% of issued capital
1-1,000	129	77,145	2.82
1,001-5,000	480	1,015,546	37.08
5,001-10,000	66	437,530	15.98
10,001-100,000	63	1,098,586	40.11
100,001+	1	110,000	4.02
Totals	**739**	**2,738,807**	**100.00**

l) The following table shows the ten largest shareholders:

Shareholder	Number of Shares	% of issued capital
ADRIENNE LESLIE MURRAY	110,000	4.02%
THOMAS LEIGH PTY LTD <THE WARING FAMILY S/F A/C>	81,040	2.96%
MR HANS DIEDERICK MENTING	55,202	2.02%
LEIGH SMITH & FELICITY SMITH <ATF EB INVESTMENT FUND A/C>	44,000	1.61%
RICHARD MIDDLETON <ATF MARPJZ SUPER FUND A/C>	44,000	1.61%
WAYNE AUSTEN & ERICA AUSTEN	41,800	1.53%
JOHN HENRY ANDERSON & PATRICIA NOREEN ANDERSON	33,000	1.20%
RODNEY STROYAN WEATHERHEAD	22,000	0.80%
MELVIN WILLIAM AUSTIN & GILLIAN REBECCA AUSTIN	22,000	0.80%
JOHN MATSEN GUEST & JOSLIN ADELAIDE GUEST	22,000	0.80%
TSUNG-HSIEN LIM	22,000	0.80%
CHESTERFIELD SUPER PTY LTD <ATF R & C DALY SUPER FUND>	22,000	0.80%
GWENDOLINE JOAN MATTHIES	22,000	0.80%
CGT INVESTMENTS PTY LTD <CGT INVESTMENTS P/L S/F A/C>	22,000	0.80%
CHANDLER CONSULTING SERVICES <CHANDLER CONS SERV S/F A/C>	22,000	0.80%
PETER DAVIS ENGINEERS PTY LTD <P DAVIS ENGINEERS EXEC PLAN>	22,000	0.80%
Total	**607,042**	**22.16%**

Auditor Independence Declaration

The Auditor Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 35.

No Officer of the Company is or has been a partner of the Auditor of the Company.

Signed in accordance with a resolution of the Directors in Melbourne on 26 August 2020.

Juliann Ruth Byron
Chairman

41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

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

In accordance with Section 307C of the *Corporations Act 2001,* I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

Kathie Teasdale
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 30 August 2020

rsd Audit

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

REPORT ON THE FINANCIAL REPORT

Opinion

We have audited the financial report of Canterbury Surrey Hills Community Finance Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Canterbury Surrey Hills Community Finance Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001;* and

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

rsd Audit

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report or the year ended 30 June 2020. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Matter
Taxation	
The application of taxation legislation to the Company's accounts is inherently complex and requires judgement to be exercised in relation to estimating tax exposures and quantifying provisions and liabilities. Further disclosure regarding Taxation can be found at Note 1(f) *Critical Accounting Estimates and Judgements* and Note 4 *Income Tax*.	We have performed the following procedures: • Reviewed the income taxation calculations prepared and are satisfied that the calculations are in accordance with the accounting standards and applicable income tax legislation. • Tested the assumptions and forecast taxable income supporting deferred tax assets • Considered the appropriateness of the Company's disclosures regarding current tax matters • Assessed the consistency of assumptions used in estimating provisions and liabilities.
Employee Provisions	
The valuation of employee entitlements are subject to complex estimation techniques and significant judgement. Assumptions required for wage growth and CPI movements, coupled with the estimated likelihood of employees reaching unconditional services is estimated. A small change in assumptions can have a material impact on the financial statements. Further disclosure regarding Employee Provisions can be found at Note 1(f) *Critical Accounting Estimates and Judgements* and Note 14 *Provisions*.	We have performed the following procedures: • Reviewed the employee entitlement calculations and are satisfied that they calculations are in accordance with applicable accounting standards. • Tested the accuracy of the calculations and models used to calculate employee entitlement provisions. • Evaluated the assumptions applied in calculating employee entitlements such as the discount rate and the probability of long service leave vesting conditions being met.

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

rsd Audit

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

rsd Audit

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. On connection with our audit of the financial report, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT ON THE AUDIT OF THE REMUNERATION REPORT

Auditor's Opinion on the Remuneration Report

We have audited the remuneration report included on page 32 of the director's report for the year ended 30 June 2020. The directors of the Company are responsible for the preparation and presentation of the remuneration report and in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

In our opinion, the remuneration report of Canterbury Surrey Hills Community Finance Limited, for the year ended 30 June 2020 is in accordance with s300A of the *Corporations Act 2001*

Responsibilities for the Remuneration Report
The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

RSD Audit
Chartered Accountants

Kathie Teasdale
Partner
Bendigo
Dated: 30 August 2020

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020

	Note	2020 ($)	2019 ($)
Revenue	2	5,386,671	4,903,421
Expenses			
Employee benefits expense	3	(2,504,326)	(2,383,251)
Depreciation and amortisation	3	(477,543)	(103,238)
Administration and general costs		(733,945)	(727,215)
Occupancy expenses		(201,376)	(475,147)
		(3,917,190)	**(3,688,851)**
Operating profit before charitable donations and sponsorship		**1,469,481**	**1,214,570**
Charitable donations and sponsorship		(493,964)	(650,281)
Profit before income tax		**975,517**	**564,289**
Income tax expense	4	(258,642)	(166,815)
Profit for the year after income tax		**716,875**	**397,474**
Other comprehensive income		-	-
Total comprehensive income for the year		**716,875**	**397,474**
Profit attributable to members of the company		716,875	397,474
Total comprehensive income attributable to members of the company		**716,875**	**397,474**
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company (cents per share):			
- basic earnings per share	18	25.67	13.50

The accompanying notes form part of these financial statements.

Statement of Financial Position for the year ended 30 June 2020

	Note	2020 ($)	2019 ($)
Assets			
Current assets			
Cash and cash equivalents	5	1,218,139	125,180
Trade and other receivables	6	472,357	459,030
Financial assets	7	1,830,136	2,100,000
Other assets	8	93,563	98,894
Total current assets		**3,614,195**	**2,783,104**
Non-current assets			
Property, plant and equipment	9	222,022	277,215
Right-of use assets	9	2,569,225	-
Intangible assets	10	124,965	174,025
Deferred tax assets	4	68,162	45,760
Total non-current assets		**2,984,374**	**497,000**
Total assets		**6,598,569**	**3,280,104**
Liabilities			
Current liabilities			
Trade and other payables	12	244,465	192,160
Current tax liability	4	141,040	29,724
Leases	13	370,639	-
Provisions	14	205,809	147,997
Total current liabilities		**961,953**	**369,881**
Non-current liabilities			
Leases	13	2,273,080	-
Provisions	14	38,940	30,462
Total non-current liabilities		**2,312,020**	**30,462**
Total liabilities		**3,273,973**	**400,343**
Net assets		**3,324,596**	**2,879,761**
Equity			
Issued capital	15	1,245,610	1,321,250
Retained earnings	16	2,078,986	1,558,511
Total equity		**3,324,596**	**2,879,761**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2020

	Note	Issued capital ($)	Retained earnings ($)	Total equity ($)
Balance at 1 July 2019 (reported)		**1,321,250**	**1,558,511**	**2,879,761**
Comprehensive income for the year				
Profit for the year		-	716,875	716,875
Other comprehensive income for the year		-	-	-
		-	**716,875**	**716,875**
Transactions with owners in their capacity as owners				
Share buy-backs	16	(75,640)	-	(75,640)
Dividends paid or provided	17	-	(196,400)	(196,400)
Balance at 30 June 2020		**1,245,610**	**2,078,986**	**3,324,596**
Balance at 1 July 2018 (reported)		**1,483,908**	**1,369,959**	**2,853,867**
Comprehensive income for the year				
Profit for the year		-	397,474	397,474
Other comprehensive income for the year		-	-	-
		-	**397,474**	**397,474**
Transactions with owners in their capacity as owners				
Share buy-backs	16	(162,658)	-	(162,658)
Dividends paid or provided	18	-	(208,922)	(208,922)
Balance at 30 June 2019		**1,321,250**	**1,558,511**	**2,879,761**

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2020

	Note	2020 ($)	2019 ($)
Cash flows from operating activities			
Receipts from customers		5,719,033	5,282,948
Payments to suppliers and employees		(4,165,902)	(4,630,352)
Interest paid		(38,944)	-
Interest received		49,473	61,018
Income tax paid		(169,728)	(184,000)
Net cash flows provided by operating activities	19b	**1,393,932**	**529,614**
Cash flows from investing activities			
Proceeds from sale of investments		269,864	100,000
Purchase of property, plant and equipment		(10,058)	(120,850)
Net cash flows from/(used in) investing activities		**259,806**	**(20,850)**
Cash flows from financing activities			
Repayment of lease liabilities		(288,739)	-
Dividends paid		(196,400)	(208,922)
Payment for share buy-back		(75,640)	(162,658)
Net cash flows used in financing activities		**(560,779)**	**(371,580)**
Net increase in cash held		**1,092,959**	**137,184**
Cash and cash equivalents at beginning of financial year		125,180	(12,004)
Cash and cash equivalents at end of financial year	19a	**1,218,139**	**125,180**

The accompanying notes form part of these financial statements.

These financial statements and notes represent those of Canterbury Surrey Hills Community Finance Limited (the Company) as an individual entity.

The Company is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 26 August 2020.

1. Summary of significant accounting policies

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, were applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Franchise relationship

The Company has entered into franchise agreements with Bendigo and Adelaide Bank Limited for the Community Bank branches at Canterbury, Surrey Hills, Ashburton and Balwyn.

All transactions with customers conducted through the Community Bank branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

b) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

c) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

d) Comparative figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

e) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and

in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Fair value assessment of non-current physical assets

The AASB 13 Fair Value standard requires fair value assessments that may involved both complex and significant judgement and experts. The value of land and buildings may be materially misstated and potential classification and disclosure risks may occur.

Employee benefits provision

Assumptions are required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

Income tax

The Company is subject to income tax. Significant judgement is required in determining the deferred tax asset. Deferred tax assets are recognised only when it is considered sufficient future profits will be generated. The assumptions made regarding future profits is based on the Company's assessment of future cash flows.

Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

f) New and revised standards that are effective for these financial statements

With the exception of the below, these 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 2019. Note that the changes in accounting policies specified below only apply to the current period. The accounting policies included in the Company's last annual financial statements for the year ended 30 June 2019 are the relevant policies for the purposes of comparatives.

AASB 16 Leases became mandatorily effective on 1 January 2019. Accordingly, this standard applies for the first time to this set of annual financial statements. The nature and effect of changes arising from this standard are summarised in the section below.

AASB 16 Leases

AASB 16 Leases replaces AASB 117 Leases and three associated Interpretations. The new standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated, as permitted under the specific transition provisions in the standard.

For contracts in place at the date of initial application, as permitted under the specific transition provisions in the standard, the Company has elected to apply the definition of a lease from AASB 117 and relevant associated interpretations, and has not applied AASB 16 to arrangements that were previously not identified as a lease under AASB 117 and associated interpretations. This means that any contracts that were deemed to not contain a lease under AASB 117 have not been reassessed under AASB 16.

The Company has also elected to not include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 July 2019. Furthermore, at this date, the Company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition as allowed under the transition provisions.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value-assets (less than $10,000) the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 3.1%.

The Company has benefited from the use of hindsight for determining lease term when considering options to extend and terminate leases.

The following is a reconciliation of total operating lease commitments at 30 June 2019 to the lease liabilities recognised at 1 July 2019.

Total operating lease commitments disclosed at 30 June 2019	1,282,215
Recognition exemptions:	
- leases of low value assets	-
- leases with remaining lease terms of less than 12 months	-
Variable lease payments not recognised	-
Other minor adjustments relating to commitment disclosures	-
Operating lease liabilities before discounting	**1,282,215**
Lease liability discounted using incremental borrowing rate at date of initial application (1 July 19)	1,902,459

	$
Lease liability as at 1 July 2019	-
Represented by:	
- Current lease liabilities	376,209
- Non-current lease liabilities	1,526,250
	1,902,459

Adjustments recognised in the balance sheet on 1 July 2019

The recognised right-of-use assets relate to the following types of assets:

	30 June 2020	**1 July 2019**
	$	**$**
Properties	2,569,225	1,902,459
Total right-of-use assets	**2,569,225**	**1,902,459**

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

Balance sheet item	Effect	Amount
Property, plant and equipment	Increase	1,902,459
Deferred tax assets	No effect	-
Lease liabilities	Increase	1,902,459
Retained earnings	No effect	

g) Change in accounting policies

Accounting policy applicable from 1 July 2019

The Company as a lessee

For any new contracts entered into on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net any incentives received).

The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or to the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, the right-of-use assets have been included in property, plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included in borrowings.

Finance leases

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

See the accounting policy note in the year-end financial statements for the depreciation methods and useful lives for assets held under finance leases. The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Impact of standards issued but not yet applied by the entity

AASB 17 Insurance Contracts

AASB 17 was issued in July 2017 as replacement for AASB 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under AASB 9.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. As the Company does not issue any insurance contracts or investment contracts with discretionary participation features, the directors have determined this standard will not affect the Company when adopted.

The Company does not intend to adopt the standard before its effective date.

AASB 1059 Service Concession Arrangements: Grantors

The standard applies to both not-for-profit and for-profit public sector entities that are grantors in a service concession arrangement. These are arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector entity for a specified period of time and managing at least some of those services.

As the Company is not a grantor in a service concession arrangement, the directors have determined this standard will not affect the Company when adopted.

The Company does not intend to adopt the standard before its effective date.

2. Revenue

	2020 ($)	2019 ($)
Revenue		
- service commissions	5,337,198	4,842,403
	5,337,198	4,842,403
Other revenue		
- interest received	49,473	61,018
	49,473	61,018
Total revenue	**5,386,671**	**4,903,421**

Revenue arises from the rendering of services through its franchise agreements with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

The Company earns service commissions on a range of products issued by the Bendigo and Adelaide Bank Ltd. The revenue includes upfront commissions, sales, fees and margin fees.

Interest income is recognised on an accrual basis using the effective interest rate method.

All revenue is stated net of the amount of GST.

3. Expenses

	2020 ($)	2019 ($)
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
- wages and salaries	2,170,203	1,945,811
- superannuation costs	196,417	181,868
- other costs	137,706	255,572
	2,504,326	**2,383,251**
Depreciation and amortisation		
Depreciation		
- leasehold improvements	5,072	1,138
- plant and equipment	60,179	51,632
- Right of use depreciation	363,232	-
	428,483	52,770
Amortisation		
- franchise fees	49,060	50,468
Total depreciation and amortisation	**477,543**	**103,238**
Auditor's' remuneration		
- Audit or review of the financial report	7,300	3,330
	7,300	**3,330**

Operating expenses

Operating expenses are recognised in profit or loss on an accruals basis, which is typically upon utilisation of the service or at the date upon which the entity becomes liable.

Depreciation

All fixed assets and capitalised leased assets, are depreciated over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of asset	Rate	Method
Leasehold improvements	3%	Straight line
Plant and equipment	7-34%	Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

4. Income tax

	2020 ($)	2019 ($)
a) The components of tax expense comprise:		
Current tax expense	281,044	184,827
Deferred tax expense	(22,402)	(19,250)
Under / (over) provision of prior years	-	1,238
	258,642	**166,815**
b) Prima facie tax payable		
The prima facie tax on profit from ordinary activities		
before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit before income tax at 27.5% (2019: 27.5%)	268,267	155,780
Add tax effect of:		
- Under / (over) provision of prior years	-	1,238
- Non-deductible expenses	4,125	10,397
- Australian Government cash flow boost	(13,750)	-
Income tax attributable to the entity	**258,642**	**167,415**
The applicable weighted average effective tax rate is:	26.51%	29.56%
c) Current tax liability		
Current tax relates to the following:		
Current tax liabilities / (assets)		
Opening balance	29,724	27,659
Income tax paid	(169,728)	(184,000)
Current tax	281,044	184,827
Under / (over) provision prior years	-	1,238
	141,040	**29,724**
d) Deferred tax asset		
Deferred tax relates to the following:		
Deferred tax assets comprise:		
Accruals	4,002	834
Employee provisions	67,306	49,076
	71,308	49,910
Deferred tax liabilities comprise:		
Accrued income	3,146	4,150
	3,146	4,150
Net deferred tax asset	**68,162**	**45,760**
e) Deferred income tax included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets	(21,398)	(17,207)
(Decrease) / increase in deferred tax liabilities	(1,004)	(2,043)

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities are measured at the amounts expected to be paid to the Australian Tax Office.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year.

Deferred tax assets relating to temporary differences are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

5. Cash and cash equivalents

	2020 ($)	2019 ($)
Cash at bank and on hand	1,218,139	125,180
	1,218,139	**125,180**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less.

6. Trade and other receivables

	2020 ($)	2019 ($)
Current		
Trade receivables	472,357	459,030
	472,357	**459,030**

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited approximately 14 days post month end, there are no items that require the application of the lifetime expected credit loss model.

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the Company's income.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

	Gross amount	Not past due	Past due but not impaired			Past due and impaired
			< 30 days	31-60 days	> 60 days	
	($)	($)	($)	($)	($)	($)
2020						
Trade receivables	472,357	472,357	-	-	-	-
Total	**472,357**	**472,357**	**-**	**-**	**-**	**-**
2019						
Trade receivables	459,030	459,030	-	-	-	-
Total	**459,030**	**459,030**	**-**	**-**	**-**	**-**

7. Financial assets

	2020 ($)	2019 ($)
Amortised cost		
Term deposits	1,830,136	2,100,000
	1,830,136	**2,100,000**

a) Classification of financial assets

The company classifies its financial assets as financial assets at amortised cost.

Classifications are determined by both:

- The Company's business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial assets.

b) Measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Cash and cash equivalents, trade and other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

c) Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses - the 'expected credit losses model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.
- '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

d) Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

8. Other assets

	2020 ($)	2019 ($)
Prepayments		8,460
Security bond	82,122	75,344
Accrued interest	11,441	15,090
	93,563	**98,894**

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

9. Property, plant and equipment

	2020 ($)			2019 ($)		
	At cost	Accumulated depreciation	Written down value	At cost	Accumulated depreciation	Written down value
Leasehold improvements - at cost	45,817	(8,851)	36,966	45,817	(3,779)	42,038
Plant and equipment - at cost	1,164,861	(979,805)	185,056	1,154,801	(919,624)	235,177
Total property, plant and equipment	**1,210,678**	**(988,656)**	**222,022**	**1,200,618**	**(923,403)**	**277,215**

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

a) Capital expenditure commitments

The entity does not have any capital expenditure commitments at 30 June 2020 (2019: None)

b) Movements in carrying amounts of PP&E

2020	Leasehold Improvements ($)	Plant & Equipment ($)	Total ($)
Opening carrying value	42,038	235,177	277,215
Additions	-	10,058	10,058
Disposals	-	-	-
Depreciation	(5,072)	(60,179)	(65,251)
Closing carrying value	**36,966**	**185,056**	**222,022**

2019	Leasehold Improvements ($)	Plant & Equipment ($)	Total ($)
Opening carrying value	43,176	286,809	329,985
Additions	-	-	-
Disposals	-	-	-
Depreciation	(1,138)	(51,632)	(52,770)
Closing carrying value	**42,038**	**235,177**	**277,215**

c) Right of use assets

The Company's lease portfolio includes buildings.

Options to extend or terminate

The option to extend or terminate are contained in the property leases of the Company.

All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the Right of use asset.

(i) AASB 16 related amounts recognised in the statement of financial position	Leased Buildings $	Total Right of use asset ($)
Leased Asset	2,932,457	2,932,457
Accumulated depreciation	(363,232)	(363,232)
	2,569,225	**2,569,225**

Movements in carrying amounts:

	Leased Buildings $	Total Right of use asset ($)
Recognised on initial application of AASB 16	1,902,459	1,902,459
- previously classified as operating leases	-	-
- transferred from property, plant & equipment	-	-
Additions	1,029,998	1,029,998
Depreciation expense	(363,232)	(363,232)
Net carrying amount	**2,569,225**	**2,569,225**

(ii) AASB 16 related amounts recognised in the statement of profit or loss	2020 $
Depreciation charge related to right-of-use assets	363,232
Interest expense on lease liabilities	86,655
Short-term leases expense	-
Low value asset leases expense	-
Total cash outflows for leases	**449,887**

10. Intangible assets

	2020 ($)			2019 ($)		
	At cost	Accumulated amortisation	Written down value	At cost	Accumulated amortisation	Written down value
Franchise fees	663,679	(538,714)	124,965	663,679	(489,654)	174,025
Total intangible assets	**663,679**	**(538,714)**	**124,965**	**663,679**	**(489,654)**	**174,025**

Franchise fees have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation in the Statement of Profit or Loss.

Movements in carrying amounts				
2020	Opening written down value ($)	Additions ($)	Amortisation ($)	Closing written down value ($)
Franchise fees	174,025	-	(49,060)	124,965
Total intangible assets	**174,025**	**-**	**(49,060)**	**124,965**

2019	Opening written down value ($)	Additions ($)	Amortisation ($)	Closing written down value ($)
Franchise fees	103,643	120,850	(50,468)	174,025
Total intangible assets	**103,643**	**120,850**	**(50,468)**	**174,025**

11. Financial liabilities

Financial liabilities include trade payables, other creditors, loans from third parties and loans from or other amounts due to related entities. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Financial liabilities are initially measured at fair value plus transaction costs, except where the instrument is classified as "fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

12. Trade and other payables

	2020 ($)	2019 ($)
Current		
Unsecured liabilities:		
Trade creditors	79,417	62,959
Other creditors and accruals	165,048	129,201
	244,465	**192,160**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

The average credit period on trade and other payables is one month.

13. Leases

	2020 ($)	2019 ($)
Current		
Property Leases	370,639	-
	370,639	**-**
Non-current		
Property Leases	2,273,080	-
	2,273,080	**-**
Total leases	**2,643,719**	**-**

The Company has leases for its four Branches. Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant & equipment and incur maintenance fees on such items in accordance with the lease contracts.

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2020 were as follows:

	Minimum lease payments due				
	Within 1 year	1–2 Years	3–5 years	After 5 years	Total
30 June 2020					
Lease payments	446,974	364,667	744,386	1,571,609	3,127,636
Finance charges	(76,338)	(65,311)	(153,060)	(189,208)	(483,917)
Net present values	**370,636**	**299,356**	**591,326**	**1,382,401**	**2,643,719**
30 June 2019					
Lease payments	-	-	-	-	-
Finance charges	-	-	-	-	-
Net present values	**-**	**-**	**-**	**-**	**-**

14. Provisions

	2020 ($)	2019 ($)
Current		
Employee benefits	205,809	147,997
Non-current		
Employee benefits	38,940	30,462
Total leases	**244,749**	**178,459**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

15. Share Capital

	2020 ($)	2019 ($)
Ordinary shares fully paid	1,321,250	1,483,908
Shares bought back during the year	(75,640)	(162,658)
	1,245,610	**1,321,250**
Ordinary shares are classified as equity.		
a) Movements in share capital		
Fully paid ordinary shares:		
At the beginning of the reporting period	2,816,957	3,009,607
Shares bought back during the year	(78,150)	(192,650)
At the end of the reporting period	**2,738,807**	**2,816,957**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each shareholder is entitled to one vote when a poll is called, or on a show of hands. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets.

a) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

(i) the Distribution Limit is the greater of:

a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and

b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and

(ii) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid can be seen in the Statement of Profit or Loss and Comprehensive Income.

There were no changes in the Company's approach to capital management during the year.

16. Retained earnings

	2020 ($)	2019 ($)
Balance at the beginning of the reporting period	1,558,511	1,369,959
Profit for the year after income tax	716,875	397,474
Dividends paid	(196,400)	(208,922)
Balance at the end of the reporting period	**2,078,986**	**1,558,511**

17. Dividends paid or provided for on ordinary shares

	2020 ($)	2019 ($)
Dividends paid or provided for during the year		
Final fully franked ordinary dividend of 7 cents per share (2019:7 cents) franked at the tax rate of 27.5% (2019: 27.5%).	196,400	208,922

A provision is made for the amount of any dividends declared, authorised and no longer payable at the discretion of the entity on or before the end of the financial year, but not distributed at balance date.

18. Earnings per share

	2020 ($)	2019 ($)
Basic earnings per share (cents)	25.67	13.50
Earnings used in calculating basic earnings per share	716,875	397,474
Weighted average number of ordinary shares used in calculating basic earnings per share	2,792,390	2,945,303

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issues during the year.

19. Statement of cash flows

a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled

	2020 ($)	2019 ($)
Cash and cash equivalents (Note 5)	1,218,139	125,180
As per the Statement of Cash Flow	**1,218,139**	**125,180**

b) Reconciliation of cash flow from operations with profit after income tax

	2020 ($)	2019 ($)
Profit for the year after income tax	716,875	397,474
Non-cash flows in profit		
- Depreciation and amortisation	477,543	103,238
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(13,327)	(52,154)
- (increase) / decrease in prepayments and other assets	5,332	389
- (Increase) / decrease in deferred tax asset	(22,402)	(19,250)
- Increase / (decrease) in trade and other payables	52,305	31,251
- Increase / (decrease) in current tax liability	111,316	2,065
- Increase / (decrease) in provisions	66,290	66,601
Net cash flows from operating activities	**1,393,932**	**529,614**

20. Key management personnel and related party disclosures

a) Key management personnel

Key management personnel includes any person having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of the company.

The totals of remuneration paid to key management personnel of the Company during the year are as follows:

	2020 ($)	2019 ($)
Short-term employee benefits	300,107	109,987
Post-employment benefits	28,510	10,449
Total key management personnel compensation	**328,617**	**120,436**

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded other key management personnel.

Post-employment benefits

These amounts are the current year's estimated cost of providing the Company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

c) Transactions with key management personnel and related parties

No key management personnel or related party has entered into any contracts with the Company.

The number of ordinary shares in the Company held by each key management personnel of the Company during the financial year is as follows:

	2020 ($)	2019 ($)
Juliann Ruth Byron	22,000	22,000
Nichalos Richard Coker (apponted CEO, 31 May 2019)	500	500
James Craig Grant	2,500	2,500
Damien Leo Hudson	14,582	14,582
Hans Diederick Menting	55,202	55,202
Robert Einar Stensholt	20,350	20,350
Andrew Graham Whittaker	3,850	3,850
Michael Sapountzis	-	-
Daizy Maan (resigned 31 March 2020)	-	-
	118,984	**118,984**

There was no movement in key management personnel shareholdings during the year. Each share held has a paid up value of $1 and is fully paid.

d) Other key management transactions

There has been no other transactions key management or related parties other than those described above.

21. Events after the reporting period

There have been no events after the end of the financial year that would materially affect the financial statements.

22. Contingent liabilities and contingent assets

There were no contingent liabilities or assets at the date of this report to affect the financial statements.

23. Operating segments

The Company operates in the financial services sector where it provides banking services to its clients. The Company operates in Canterbury, Ashburton, Surrey Hills and Balwyn, Victoria and surrounding areas. The Company has four franchise agreements in place with Bendigo and Adelaide Bank Limited which account for 100% of the revenue (2019: 100%).

24. Commitments

(a) Operating lease commitments

	2020 ($)	2019 ($)
Payable:		
- no later than 12 months	-	372,188
- between 12 months and five years	-	910,027
Minimum lease payments	**-**	**1,282,215**

25. Company details

The registered office and principal place of business is 143 Maling Road, Canterbury, Victoria 3126

26. Financial instrument risk

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit and Governance Committee which reports regularly to the Board.

Specific financial risk exposure and management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantial changes in the types of risks the Company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

The Company's financial instruments consist mainly of deposits with banks, account receivables and payables. The totals for each category of financial instruments measured in accordance with AASB 9 Financial Instruments as detailed in the accounting policies are as follows:

	Note	2020 ($)	2019 ($)
Financial assets			
Financial assets at amortised cost:			
- Cash and cash equivalents	5	1,218,139	125,180
- Trade and other receivables	6	472,357	459,030
		1,690,496	584,210
Investments designated as fair value through other comprehensive income:			
- Unlisted investments	7	1,830,136	2,100,000
		1,830,136	2,100,000
Total financial assets		**3,520,632**	**2,684,210**
Financial liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	12	244,465	192,160
- Lease Liabilities	13	2,643,719	-
Total financial liabilities		**2,888,184**	**192,160**

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the table above.

The Company has significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The Company's exposure to credit risk is limited to Australia by geographic area.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 6.

The Company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the Company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis:

30 June 2020	Weighted average interest rate %	Total ($)	Within 1 year ($)	1 to 5 years ($)	Over 5 years ($)
Financial assets					
- Cash and cash equivalents	1.37%	1,218,139	1,218,139	-	-
- Trade and other receivables		472,357	472,357	-	-
- Unlisted investments		1,830,136	1,830,136	-	-
Total anticipated inflows		3,520,632	3,520,632	-	-
Financial liabilities					
- Trade and other payables		244,465	244,465	-	-
- Lease Liabilities		2,643,719	370,636	890,682	1,382,401
Total expected outflows		2,888,184	615,101	890,682	1,382,401
Net inflow on financial instruments		**632,448**	**2,905,531**	**(890,682)**	**(1,382,401)**

30 June 2019	Weighted average interest rate %	Total ($)	Within 1 year ($)	1 to 5 years ($)	Over 5 years ($)
Financial assets					
- Cash and cash equivalents	2.53%	125,180	125,180	-	-
- Trade and other receivables		459,030	459,030	-	-
- Unlisted investments		2,100,000	2,100,000	-	-
Total anticipated inflows		2,684,210	2,684,210	-	-
Financial liabilities					
- Trade and other payables		192,160	192,160	-	-
- Lease Liabilities		-	-	-	-
Total expected outflows		192,160	192,160	-	-
Net inflow on financial instruments		**2,492,050**	**2,492,050**	**-**	**-**

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The primary risks the Company is exposed to is interest rate risk and other price risk. The Company has no exposure to fluctuations in foreign currency.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Company to interest rate risk are fixed interest securities, and cash and cash equivalents.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2020		2019	
	Profit ($)	Equity ($)	Profit ($)	Equity ($)
+/- 1% in interest rates (interest income)	30,483	30,483	22,252	22,252
	30,483	30,483	22,252	22,252

	Profit ($)	Equity ($)	Profit ($)	Equity ($)
+/- 10% in equity prices	2,445	2,445	1,922	1,922
	2,445	2,445	1,922	1,922

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Directors Declaration

In accordance with a resolution of the Directors of Canterbury Surrey Hills Community Finace Limited, the Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 40 to 62 are in accordance with the Corporations Act 2001 and:
   (i) comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   (ii) give a true and fair view of the company's financial position as at 30 June 2020 and of the performance for the 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.
3. The audited remuneration disclosures set out in the remuneration report section of the Directors' report comply with Accounting Standard AASB124 Related Party Disclosures and the Corporations Regulations 2001.

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

Juliann Byron
Chairman

Signed on 26 August 2020.

Glossary

Throughout this report we refer to particular terms. Here's what we mean by ...

Footings means the total deposits, loan and other business held at a particular Community Bank branch. This is a measure of the banking business we look after for customers.

Community Investment means a contribution made by our Company to a not-for-profit community-based organisation. This can be in the form of a sponsorship or a grant. Some are big while some are small, and may reflect the number of members from the community that have become customers. Details of our Community Investments can be found in our Community Report.

Community Investment Program means the strategy adopted by the Board for assessing and selecting Community Investments over the short, medium and longer term.

Community Bank means a franchise of the Bendigo & Adelaide Bank Limited that is operated by a public company owned by people in the community the branch operates in.

Canterbury Surrey Hills Community Finance Limited

Canterbury Community Bank Branch

Shop 2, 143 Maling Road,
Canterbury, VIC, 3126
(03) 9836 9466

Surrey Hills Community Bank Branch

107 Union Road,
Surrey Hills, VIC, 3127
(03) 9890 7188

Ashburton Community Bank Branch

241 High Street,
Ashburton, VIC, 3147
(03) 9885 2666

Balwyn Community Bank Branch

411 Whitehorse Road,
Balwyn, VIC, 3103
(03) 9836 8029

Franchisee

Canterbury Surrey Hills
Community Finance Limited

PO Box 439,
Canterbury VIC 3126

ABN 96 099 590 593

Community Bank
Canterbury, Ashburton,
Surrey Hills and Balwyn

supportingourcommunity.com.au

Bendigo Bank