

Canterbury Surrey Hills Community Finance Limited

25 February 2022

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

BY ELECTRONIC LODGEMENT

Dear Sir/Madam

2022 INTERIM REPORT

Canterbury Surrey Hills Community Finance Limited (NSX: CSH) attaches its Interim Report for the half-year ended 31 December 2021.

Yours sincerely

Michael Sapountzis
Company Secretary
Canterbury Surrey Hills Community Finance Limited

For further information contact:

Juliann Byron
Chairman
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Company Secretary
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Franchisee of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879



Canterbury Surrey Hills Community Finance Ltd

ABN: 96 099 590 593

Interim Financial Report for the half-year ended 31 December 2021



Canterbury Surrey Hills Community Finance Ltd

Directors' Report

For the half-year ended 31 December 2021

The Directors present their report, together with the financial statements, on Canterbury Surrey Hills Community Finance Ltd for the half-year ended 31 December 2021.

Directors

The following persons were Directors of Canterbury Surrey Hills Community Finance Ltd during or since the end of the half-year:

Juliann Ruth Byron
James Craig Grant
Damien Leo Hudson
Michael Sapountzis

Andrew Graham Whittaker
Robert Einar Stensholt
Nicole Evelyne Kenyon
Hans Diederick Menting - resigned 26/08/2021

Principal activities

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

Review and results of operations

Operations have continued to perform in line with expectations given the decline in margins and fees paid to the Company by Bendigo Bank due to the current low interest rate environment. The net loss of the Company for the financial period was \$10,880 (2020 profit: \$187,195)

COVID-19 impacts

During the current and previous financial years, the Australian economy has been greatly impacted by COVID-19. Bendigo Bank, as franchisor, announced a suite of measures aimed at providing relief to customers affected by the COVID-19 pandemic. The economic conditions have resulted in a fall in the Company's revenue in the current period. As the pandemic continues to impact the economic environment, uncertainty remains on any future impact of COVID-19 to operations.

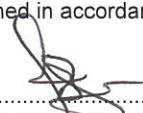
Matters subsequent to the end of the reporting period

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company.

Auditor's independence declaration

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 2 for the half year ended 31 December 2021.

Signed in accordance with a resolution of the Directors at Canterbury.


.....
Juliann Ruth Byron
Chair

Dated: 23rd February 2022



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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 s 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Canterbury Surrey Hills Community Finance Limited. As the lead audit partner for the review of the financial report of Canterbury Surrey Hills Community Finance Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSD Audit

A handwritten signature in blue ink, appearing to read 'Katie', is positioned above the printed name of the auditor.

Kathie Teasdale
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 24 February 2022

Canterbury Surrey Hills Community Finance Ltd

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

	31-Dec-21 \$	31-Dec-20 \$
Revenue	2,133,310	2,578,388
Expenses		
Employment expenses	1,364,667	1,397,116
Depreciation and amortisation	275,075	259,208
Administration and general costs	247,653	253,493
Occupancy expenses	81,443	56,966
Interest on finance leases	8,320	39,915
IT expenses	60,369	53,192
ATM expenses	11,958	12,669
Other expenses	14,755	15,453
	<u>2,064,240</u>	<u>2,088,012</u>
Profit before charitable donations & sponsorship	<u>69,070</u>	<u>490,376</u>
Charitable donations and sponsorship	87,372	271,801
Profit/(loss) before income tax expense	<u>(18,302)</u>	<u>218,575</u>
Income tax expense/(benefit)	(7,422)	31,380
Profit/(loss) after income tax expense	<u>(10,880)</u>	<u>187,195</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u>(10,880)</u>	<u>187,195</u>
Total comprehensive income attributable to the ordinary shareholders of the company	<u>(10,880)</u>	<u>187,195</u>
Earnings per share	¢	¢
- Basic earnings per share	<u>(0.004)</u>	<u>0.07</u>

The accompanying notes form part of these financial statements

Canterbury Surrey Hills Community Finance Ltd

Statement of Financial Position

For the half-year ended 31 December 2021

	31 December 2021	30 June 2021
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	697,689	374,296
Trade and other receivables	388,608	428,564
Financial assets	1,830,136	2,130,136
Current tax asset	-	87,367
Other assets	115,400	86,882
Total Current Assets	3,031,833	3,107,245
Non-Current Assets		
Property, plant and equipment	865,597	886,218
Right-of-use assets	2,620,468	2,159,189
Intangible assets	52,830	75,905
Total Non-Current Assets	3,538,895	3,121,312
Total Assets	6,570,728	6,228,557
LIABILITIES		
Current Liabilities		
Trade and other payables	227,599	201,102
Lease liabilities	267,001	300,068
Employee benefits	302,316	282,021
Total Current Liabilities	796,916	783,191
Non-Current Liabilities		
Lease liabilities	2,469,583	1,973,479
Employee benefits	12,474	31,834
Deferred tax liability	67,415	8,343
Total Non-Current Liabilities	2,549,472	2,013,656
Total Liabilities	3,346,388	2,796,847
Net Assets	3,224,340	3,431,710
Equity		
Issued capital	1,234,082	1,239,934
Retained earnings	1,990,258	2,191,776
Total Equity	3,224,340	3,431,710

The accompanying notes form part of these financial statements

Canterbury Surrey Hills Community Finance Ltd

Statement of Changes in Equity

For the half-year ended 31 December 2021

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2021		1,239,934	2,191,776	3,431,710
<i>Comprehensive income for the half year</i>				
Loss for the half year		-	(10,880)	(10,880)
Other comprehensive income		-	-	-
<i>Transactions with owners in their capacity as owners</i>				
Share buy-backs	5	(5,852)	-	(5,852)
Dividends paid or provided		-	(190,638)	(190,638)
Balance at 31 December 2021		1,234,082	1,990,258	3,224,340
Balance at 1 July 2020		1,245,610	2,078,986	3,324,596
<i>Comprehensive income for the half year</i>				
Profit for the half year		-	187,195	187,195
Other comprehensive income		-	-	-
<i>Transactions with owners in their capacity as owners</i>				
Share buy-backs		(5,676)	-	(5,676)
Dividends paid or provided	5	-	(190,946)	(190,946)
Balance at 31 December 2020		1,239,934	2,075,235	3,315,169

The accompanying notes form part of these financial statements

Canterbury Surrey Hills Community Finance Ltd

Statement of Cash Flows

For the half-year ended 31 December 2021

	31-Dec-21 \$	31-Dec-20 \$
Cash Flows From Operating Activities		
Receipts from customers	2,353,307	2,822,396
Interest received	8,971	8,434
Payments to suppliers and employees	(2,036,204)	(2,278,397)
Interest paid	(8,320)	(39,915)
Income tax refund	153,861	(97,737)
Net cash flows generated by operating activities	471,615	414,781
Cash Flows From Investing Activities		
Proceeds from sale of property, plant and equipment	1,928	-
Proceeds from disposal of financial assets	300,000	-
Purchase of property, plant and equipment	(44,420)	(272,036)
Net cash flows from/(used in) investing activities	257,508	(272,036)
Cash Flows From Financing Activities		
Payments for share buy-back	(5,852)	(5,676)
Repayment of leases	(209,240)	(178,358)
Dividends paid	(190,638)	(190,946)
Net cash flows used in financing activities	(405,730)	(374,980)
Net increase/(decrease) in cash held	323,393	(232,235)
Cash and cash equivalents at beginning of period	374,296	1,218,139
Cash and cash equivalents at end of period	697,689	985,904

The accompanying notes form part of these financial statements

Canterbury Surrey Hills Community Finance Ltd

Notes to the Financial Statements

For the half-year ended 31 December 2021

Note 1: Summary of Significant Accounting Policies

(a) Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Canterbury Surrey Hills Community Finance Ltd (the Company). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company.

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by the company during the period.

(b) Accounting Policies

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

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

(c) Critical Accounting Estimates and Judgements

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

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2021.

Note 2: Events after the End of the Interim Period

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

Note 3: Contingent Assets and Liabilities

Since the last annual reporting date there has been no material change of any contingent assets or contingent liabilities.

Note 4: Segment Reporting

The economic entity operates in a single service sector where it facilitates community banking services in Canterbury, Surrey Hills Ashburton and Balwyn, in the state of Victoria pursuant to four franchise agreements with Bendigo and Adelaide Bank Limited.

Canterbury Surrey Hills Community Finance Ltd

Notes to the Financial Statements

For the half-year ended 31 December 2021

	2021 \$	2020 \$
Note 5: Dividends		
A final fully franked dividend of 7 cents per share for the year ended 30 June 2021 was declared and paid in the half year period to 31 December 2021 (Dec 2020: 7 cents)	190,638	190,946
Note 6: Earnings per Share		
Basic earnings per share (cents)	(0.004)	0.07
Earnings used in calculating basic earnings per share	(10,880)	187,195
Weighted average number of ordinary shares used in calculating basic earnings per share.	2,722,196	2,727,074

Canterbury Surrey Hills Community Finance Ltd


Directors Declaration

For the half-year ended 31 December 2021

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

- (1) the financial statements and notes set out on pages 3 to 8 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (b) giving a true and fair view of the entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and;
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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


.....
Juliann Ruth Byron
Chair

Dated 23rd February 2022

Independent Auditor's Review Report to the Members of Canterbury Surrey Hills Community Finance Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Canterbury Surrey Hills Community Finance Limited, which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Canterbury Surrey Hills Community Finance Limited's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Canterbury Surrey Hills Community Finance Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Canterbury Surrey Hills Community Finance Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

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

- (i) giving a true and fair view of Canterbury Surrey Hills Community Finance Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Kathie Teasdale
Partner
RSD Audit
41A Breen Street, Bendigo VIC 3550

Dated: 24 February 2022