

# FORM: Half yearly/preliminary final report

Name of issuer

San Remo District Financial Services Limited

ACN or ARBN

20 102 770 150

Half yearly  
(tick)



Preliminary  
final (tick)

Half year/financial year ended  
(‘Current period’)

31<sup>st</sup> December 2011

## For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A,000
Revenue (item 1.1)	up/down	24%	to	825
Profit (loss) for the period (item 1.9)	up/down	122.6%	to	69
Profit (loss) for the period attributable to members of the parent (item 1.11)	up/down	122.6%	to	69
<b>Dividends</b>				
Franking rate applicable:				
	Current period		Previous corresponding period	
<b>Final dividend</b> (preliminary final report only)(item 10.13-10.14)				
Amount per security				
Franked amount per security				
<b>Interim dividend</b> (Half yearly report only) (item 10.11 – 10.12)				
Amount per security	3 cents			Nil
Franked amount per security	Nil			Nil
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

**Consolidated income statement** *(The figures are not equity accounted)**(see note 3)**(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues <i>(item 7.1)</i>	825	665
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(717)	(596)
1.3 Finance costs	(2)	(1)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5 <b>Profit (loss) before income tax</b>	106	68
1.6 Income tax expense <i>(see note 4)</i>	(37)	(37)
1.7 Profit (loss) from continuing operations	69	31
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 <b>Profit (loss) for the period</b>	69	31
1.10 Profit (loss) attributable to minority interests	-	-
1.11 <b>Profit (loss) attributable to members of the parent</b>	69	31
1.12 Basic earnings per <i>security</i> <i>(item 9.1)</i>	0.05	0.02
1.13 Diluted earnings per <i>security</i> <i>(item 9.1)</i>	0.05	0.02
1.14 Dividends per <i>security</i> <i>(item 9.1)</i>	0.03	-

**Comparison of half-year profits***(Preliminary final statement only)*

	Current period - \$A'000	Previous corresponding period - \$A'000
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>		
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year		

## Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

<b>Current assets</b>		Current period - \$A'000	Previous corresponding period - \$A'000
3.1	Cash and cash equivalents	829	620
3.2	Trade and other receivables	117	76
3.3	Inventories	-	-
3.4	Other current assets (provide details if material)	81	21
	Prepayments		
3.5	<b>Total current assets</b>	1,027	717
<b>Non-current assets</b>			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	476	536
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	88	209
3.16	Other (provide details if material)	-	
3.17	<b>Total non-current assets</b>	564	745
3.18	<b>Total assets</b>	1,591	1,462
<b>Current liabilities</b>			
3.19	Trade and other payables	73	27
3.20	Short term borrowings	-	-
3.21	Current tax payable	14	-
3.22	Short term provisions	51	70
3.23	Current portion of long term borrowings	11	12
3.24	Other current liabilities (provide details if material)	-	-
		149	109
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	<b>Total current liabilities</b>	149	109

<b>Non-current liabilities</b>			
		Current period - \$A'000	Previous corresponding period - \$A'000
3.27	Long-term borrowings	31	15
3.28	Deferred tax liabilities	40	24
3.29	Long term provisions	-	-
3.30	Other (provide details if material)	-	-
3.31	<b>Total non-current liabilities</b>	71	39
3.32	<b>Total liabilities</b>	220	148
3.33	<b>Net assets</b>	1,371	1,314
<b>Equity</b>			
3.34	Share capital	1,416	1,398
3.35	Other reserves	-	-
3.36	Retained earnings	(45)	(84)
	Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
3.37	<b>Parent interest</b>	-	-
3.38	<b>Minority interest</b>	-	-
3.39	<b>Total equity</b>	1,371	1,314

## Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$'000	Previous corresponding period – A\$'000
Revenues recognised directly in equity:		
- Commissions / Fee Income	807	652
- Interest Income	18	13
Expenses recognised directly in equity:		
- Depreciation & Amortisation	57	46
- Employment Expenses	371	298
- Sponsorships & Donations	60	55
- Other Expenses	231	198
4.1 <b>Net income recognised directly in equity</b>	106	68
4.2 <b>Profit for the period</b>	106	68
4.3 <b>Total recognised income and expense for the period</b>		
Attributable to:		
4.4 Members of the parent	106	106
4.5 Minority interest	-	-
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

## Consolidated statement of cash flows

(See note 6)

(as per AASB 107: Cash Flow Statements)

		Current period - \$A'000	Previous corresponding period - \$A'000
	<b>Cash flows related to operating activities</b>		
5.1	Receipts from customers	844	688
5.2	Payments to suppliers and employees	(692)	(624)
5.3	Interest and other costs of finance paid	(2)	(1)
5.4	Income taxes paid	(16)	-
5.5	Other (provide details if material)	-	-
5.6	<b>Net cash used in operating activities</b>	134	63
	<b>Cash flows related to investing activities</b>		
5.7	Payments for purchases of property, plant and equipment	(2)	(220)
5.8	Proceeds from sale of property, plant and equipment		
5.9	Payment for purchases of equity investments		
5.10	Proceeds from sale of equity investments		
5.11	Loans to other entities		
5.12	Loans repaid by other entities		
5.13	Interest and other items of similar nature received	18	12
5.14	Dividends received		
5.15	Other (provide details if material)		
	Payments for intangible assets		(133)
5.16	<b>Net cash used in investing activities</b>	16	(341)
	<b>Cash flows related to financing activities</b>		
5.17	Proceeds from issues of securities (shares, options, etc.)		319
5.18	Proceeds from borrowings		
5.19	Repayment of borrowings	(6)	(5)
5.20	Dividends paid	(45)	
5.21	Other (provide details if material)		
5.22	<b>Net cash used in financing activities</b>	(51)	314
	<b>Net increase (decrease) in cash and cash equivalents</b>	99	36
5.23	Cash at beginning of period (see Reconciliations of cash)	730	584
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	<b>Cash at end of period</b> (see Reconciliation of cash)	829	620

## Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

		Current period \$A'000	Previous corresponding period \$A'000
6.1	<b>Profit</b> <i>(item 1.9)</i>	69	31
	Adjustments for:		
6.2	Depreciation	26	23
6.3	Amortisation	30	23
6.4			
6.5	Increase/decrease in other receivables	(1)	(4)
6.6	Increase/decrease in income tax payable	15	28
6.7	Increase/decrease in deferred tax liability	5	9
6.8	Increase/decrease in provisions	1	1
6.9	Increase/decrease in other payables	7	(36)
6.10	<b>Net cash from operating activities</b> <i>(item 5.6)</i>	152	75

## **Notes to the financial statements**

### **Details of revenues and expenses**

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenue		
- Commission / Fee Income	807	652
- Interest Income	18	13
7.1 Total Revenue	825	665
Expenses		
- Depreciation & Amortisation	57	46
- Employment Expenses	371	298
- Sponsorships & Donations	60	55
- Other Expenses	231	198
7.2 Total Expenses	719	597
Profit (loss) before tax	106	68

### **Ratios**

	Current period	Previous corresponding period
<b>Profit before tax / revenue</b>		
8.1 Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	13%	10%
<b>Profit after tax / equity interests</b>		
8.2 Consolidated profit (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)	8%	5%



## Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

Basic and diluted Earnings per share has been calculated as follows :

Basic EPS =  $69/1,415 = \$0.05$  Basic Earnings per Share

Diluted EPS =  $69/1,471 = \$0.05$  Diluted Earnings Per Share (adjusted for Bonus Shares issued in prior years)

## Dividends

- 10.1 Date the dividend is payable

N/a

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

- 10.3 If it is a final dividend, has it been declared?

(Preliminary final report only)

- 10.4 The *dividend or distribution plans* shown below are in operation.

The last date(s) for receipt of election notices to the *dividend or distribution plans*

- 10.5 Any other disclosures in relation to *dividends or distributions*

**Dividends paid or provided for on all securities***(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)*

		Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
	<b>Dividends paid or provided for during the reporting period</b>	45	-	Nil
10.6	Current year interim - Unfranked	45	-	-
10.7	Franked dividends			
10.8	Previous year final	-	-	-
10.9	Franked dividends			
	<b>Dividends proposed and not recognised as a liability</b>	-	-	-
10.10	Franked dividends	-	-	-

**Dividends per security***(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)*

		Current year	Previous year	Franking rate applicable
	<b>Dividends paid or provided for during the reporting period</b>	3c	-	Nil
10.11	Current year interim - Unfranked	3c	-	Nil
10.12	Franked dividends – cents per share			
10.13	Previous year final	-	-	-
10.14	Franked dividends – cents per share			
	<b>Dividends proposed and not recognised as a liability</b>	-	-	
10.15	Franked dividends – cents per share	-	-	-

### Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$A'000	Previous corresponding period \$A'000
11.1 Opening balance	-	-
11.2 Expenditure incurred during current period	-	-
11.3 Expenditure written off during current period	-	-
11.4 Acquisitions, disposals, revaluation increments, etc.	-	-
11.5 Expenditure transferred to Development Properties	-	-
11.6 <b>Closing balance as shown in the consolidated balance sheet</b> (item 3.10)	-	-

### Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period \$A'000
12.1 Opening balance	-	-
12.2 Expenditure incurred during current period	-	-
12.3 Expenditure transferred from exploration and evaluation	-	-
12.4 Expenditure written off during current period	-	-
12.5 Acquisitions, disposals, revaluation increments, etc.	-	-
12.6 Expenditure transferred to mine properties	-	-
12.7 <b>Closing balance as shown in the consolidated balance sheet</b> (item 3.11)	-	-

### Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – A\$'000	Previous corresponding period – A\$'000
13.1 Revenue	-	-
13.2 Expense	-	-
13.3 <b>Profit (loss) from discontinued operations before income tax</b>	-	-
13.4 Income tax expense (as per para 81 (h) of AASB 112)	-	-
13.5 <b>Gain (loss) on sale/disposal of discontinued operations</b>	-	-
13.6 Income tax expense (as per paragraph 81(h) of AASB 112)	-	-

## Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.1	<b>Preference securities</b> <i>(description)</i>					
14.2	Balance at start of period	-	-	-	-	-
14.3	a) Increases through issues	-	-	-	-	-
14.4	a) Decreases through returns of capital, buybacks etc.	-	-	-	--	-
14.5	Balance at end of period	-	-	-	-	-
14.6	<b>Ordinary securities</b> <i>(description)</i>					
14.7	Balance at start of period	1,470,728	1,470,728	100	1,470	1,470
14.8	a) Increases through issues	-	-	-	-	-
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.10	Balance at end of period	1,470,728	1,470,728	100	1,470	1,470
14.11	<b>Convertible Debt Securities</b> <i>(description &amp; conversion factor)</i>					
14.12	Balance at start of period	-	-	-	-	-
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	-	-	-	--	-
14.15	Balance at end of period	-	-	-	-	-
		<b>Number</b>	<b>Number</b>	<b>Paid-up value</b>	<b>Current period –</b>	<b>Previous corresponding</b>

		issued	listed	(cents)	A\$'000	period – A\$'000
14.16	<b>Options</b>  <i>(description &amp; conversion factor)</i>					
14.17	Balance at start of period	-	-	-	-	-
14.18	Issued during period	-	-	-	-	-
14.19	Exercised during period	-	-	-	--	-
14.20	Expired during period	-	-	-	-	-
14.21	Balance at end of period	-	-	-	-	-
14.22	<b>Debentures</b>  <i>(description)</i>					
14.23	Balance at start of period	-	-	-	-	-
14.24	a) Increases through issues	-	-	-	-	-
14.25	b) Decreases through maturity, converted	-	-	-	-	-
14.26	Balance at end of period	-	-	-	-	-
14.27	<b>Unsecured Notes</b>  <i>(description)</i>	-	-	-	-	-
14.28	Balance at start of period	-	-	-	-	-
14.29	a) Increases through issues	-	-	-	-	-
14.30	b) Decreases through maturity, converted	-	-	-	--	-
14.31	Balance at end of period	-	-	-	-	-
14.32	<b>Total Securities</b>	-	-	-	-	-

		Current period – A\$'000	Previous corresponding period – A\$'000
<b>Reserves</b>			
14.33	Balance at start of period	-	-
14.34	Transfers to/from reserves	-	-
14.35	Total for the period	-	-
14.36	Balance at end of period	-	-
14.37	<b>Total reserves</b>	-	-
<b>Retained earnings</b>			
14.38	<b>Balance at start of period</b>	(69)	(115)
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit for the balance	-	-
14.42	Total for the period	69	31
14.43	Dividends	(45)	-
14.44	<b>Balance at end of period</b>	(45)	(84)

**Details of aggregate share of profits (losses) of associates and joint venture entities***(equity method)**(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)*

Name of associate or joint venture entity

N/a

Reporting entities percentage holding

	Current period - \$A'000	Previous corresponding period - \$A'000
15.1 Profit (loss) before income tax		
15.2 Income tax		
15.3 <b>Profit (loss) after tax</b>		
15.4 Impairment losses		
15.5 Reversals of impairment losses		
15.6 Share of non-capital expenditure contracted for (excluding the supply of inventories)		
15.7 <b>Share of net profit (loss) of associates and joint venture entities</b>		

**Control gained over entities having material effect***(See note 8)*16.1 Name of *issuer* (or *group*)

N/a

16.2	Consolidated profit (loss) after tax of the <i>issuer</i> (or <i>group</i> ) since the date in the current period on which control was acquired
16.3	Date from which profit (loss) in <i>item 16.2</i> has been calculated
16.4	Profit (loss) after tax of the <i>issuer</i> (or <i>group</i> ) for the whole of the previous corresponding period

\$A'000

**Loss of control of entities having material effect***(See note 8)*

17.1	Name of <i>issuer</i> (or <i>group</i> )	N/a
17.2	Consolidated profit (loss) after tax of the entity (or <i>group</i> ) for the current period to the date of loss of control	\$A'000
17.3	Date from which the profit (loss) in <i>item 17.2</i> has been calculated	
17.4	Consolidated profit (loss) after tax of the entity (or <i>group</i> ) while controlled during the whole of the previous corresponding period	
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	

**Material interests in entities which are not controlled entities***The economic entity has an interest (that is material to it) in the following entities.*

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) ( <i>item 1.9</i> )	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
				<i>Equity accounted</i>	
18.2	<b>Total</b>				
18.3	<b>Other material interests</b>			Non equity accounted (i.e. part of <i>item 1.9</i> )	
18.4	<b>Total</b>				



**Reports for industry and geographical segments**

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

**The company operates in a single industry and geographical sector.**

	Current period - \$A'000	Previous corresponding period - \$A'000
<b>Segments</b>		
Revenue:		
19.1 External sales		
19.2 Inter-segment sales		
19.3 <b>Total</b> (consolidated total equal to <i>item 1.1</i> )		
19.4 Segment result		
19.5 Unallocated expenses		
19.6 <b>Operating profit</b> (equal to <i>item 1.5</i> )		
19.7 Interest expense		
19.8 Interest income		
19.9 Share of profits of associates		
19.10 Income tax expense		
19.11 <b>Net profit</b> (consolidated total equal to <i>item 1.9</i> )		
<b>Other information</b>		
19.12 Segment assets		
19.13 Investments in equity method associates		
19.14 Unallocated assets		
19.15 <b>Total assets</b> (equal to <i>item 3.18</i> )		
19.16 Segment liabilities		
19.17 Unallocated liabilities		
19.18 <b>Total liabilities</b> (equal to <i>item 3.32</i> )		
19.19 Capital expenditure		
19.20 Depreciation		
19.21 Other non-cash expenses		

## NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.82	0.78

## Non-cash financing and investing activities

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

21.1

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## International Financial Reporting Standards

*Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.*

22.1

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*Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.*

22.2

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**Comments by directors**

*Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.*

**Basis of accounts preparation**

*If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]*

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)*

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. *(as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)*

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year *(as per paragraph 16(d) of AASB 134: Interim Financial Reporting)*

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report *(as per paragraph 16(j) of AASB 134: Interim Financial Reporting)*

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

**Annual meeting***(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

N/A

Date

29<sup>th</sup> October 2012

Time

7.30 pm

Approximate date the annual report will be available

15<sup>th</sup> September 2012**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not\* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:



The financial statements have been audited.



The financial statements have been subject to review by a registered auditor (or overseas equivalent).



The financial statements are in the process of being audited or subject to review.



The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The issuer has/~~does not have~~\* (*delete one*) a formally constituted audit committee.

Sign here:



(~~Director~~/Company secretary)

Date: 6<sup>th</sup> March 2012

Print name: ....Terence Ashenden.....

## Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**
  - Item 1.1            The definition of "revenue" is set out in *AASB 118: Revenue*
  - Item 1.6            This item refers to the total tax attributable to the amount shown in *item 1.5*. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **Consolidated statement of financial position**

**Format** The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) after tax by more than 5% compared to the previous corresponding period.
9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under ASIC Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with AASB 101: *Presentation of Financial Statements* or AASB 134: *Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the ASIC under the *Corporations Act* must also be given to the *Exchange*. For example, a *directors'* report and declaration, if lodged with the ASIC, must be given to the *Exchange*.
13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** AASB 101: *Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

**Relevant items** AASB 101: *Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in AASB 101, in explaining the financial performance of the *issuer*. There is an equivalent requirement in AASB 134: *Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.

**17. Discontinuing operations**

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3



**San Remo District Financial Services Limited**  
**Half Year Financial Report**  
**as at**  
**31 December 2011**

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Directors' Report**

Your Directors submit their report of the Company for the half year ended 31 December 2011.

**Directors**

The names of directors who held office during the half year and until the date of this report are:

Terry Ashenden (Chairman)

Joan Matthews

Miranda Sage

Norma Stack-Robinson resigned 29/8/11

Caroline Talbot

Janice Rowlingson

Bruce Procter

Craig Semple

Kathy Jones

Michele Fulwell

Patrick Russell

Dorene Blum appointed 24/10/11

Directors were in office for this entire period unless otherwise stated.

**Principal activities**

The principal activities of the Company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

**Review and results of operations**

Operations have continued to perform in line with expectations. The net profit of the Company for the financial period was \$68,789 (2010: \$31,000).

**Matters subsequent to the end of the reporting period**

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

**Significant changes in the state of affairs**

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report.

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Directors' Report**

**Auditor Independence Declaration**

The directors received the following independence declaration from the auditor of the Company:



**Richmond  
Sinnott &  
Delahunty**

**Level 2, 10-16 Forest Street  
PO Box 30  
Bendigo. 3552  
Ph. 03 5443 1177  
Fax. 03 5444 4344  
E-mail:  
rsd@rsd advisors.com.au**

Chartered Accountants

**Auditor's Independence Declaration**

In relation to our review of the financial report of San Remo District Financial Services Limited for the half year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

**Philip Delahunty  
Partner  
Richmond Sinnott & Delahunty  
Bendigo  
28 February 2012**

Signed in accordance with a resolution of the Directors at San Remo on 28 February 2012.



.....  
Terry Ashenden, Director

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Condensed Statement of Comprehensive Income**  
**for the half-year ended 31 December 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	806,732	652,277
Other revenue	17,930	12,977
Salaries and employee benefit expense	(367,205)	(291,002)
Depreciation and amortisation expense	(55,782)	(46,304)
Charitable donations and sponsorship	(58,279)	(58,258)
Other expenses from ordinary activities	<u>(237,575)</u>	<u>(201,951)</u>
<b>Profit before income tax expense</b>	105,821	67,739
Income tax expense	<u>(37,032)</u>	<u>(36,739)</u>
<b>Profit/(loss) after income tax expense for the half year</b>	68,789	31,000
Other comprehensive income	<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>	<u><u>68,789</u></u>	<u><u>31,000</u></u>
<b>Earnings per share (cents per share)</b>		
- basic for profit for the half year	4.68	2.11
- diluted for profit for the half year	4.68	2.11

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Condensed Statement of Financial Position**  
**as at 31 December 2011**

	<b>31-Dec 2011 \$</b>	<b>30-Jun 2011 \$</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	829,310	730,087
Receivables	117,092	93,915
Prepayments	19,278	22,389
Current tax assets	-	890
<b>Total Current Assets</b>	<u>965,680</u>	<u>847,281</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	475,474	499,930
Intangible assets	149,769	179,746
<b>Total Non-Current Assets</b>	<u>625,243</u>	<u>679,676</u>
<b>Total Assets</b>	<u>1,590,923</u>	<u>1,526,957</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	72,916	47,413
Loans and borrowings	10,918	14,084
Current tax liabilities	14,593	-
Provisions	50,929	49,877
<b>Total Current Liabilities</b>	<u>149,356</u>	<u>111,374</u>
<b>Non-Current Liabilities</b>		
Deferred income tax liability	40,130	34,798
Loans and borrowings	30,829	34,304
<b>Total Non-Current Liabilities</b>	<u>70,959</u>	<u>69,102</u>
<b>Total Liabilities</b>	<u>220,315</u>	<u>180,476</u>
<b>Net Assets</b>	<u>1,370,608</u>	<u>1,346,481</u>
<b>Equity</b>		
Issued capital	1,415,926	1,415,926
Accumulated losses	(45,318)	(69,445)
<b>Total Equity</b>	<u>1,370,608</u>	<u>1,346,481</u>

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Condensed Statement of Cash Flows**  
**for the half-year ended 31 December 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Cash receipts in the course of operations	844,605	688,537
Cash payments in the course of operations	(692,376)	(624,887)
Interest received	17,930	12,429
Borrowing costs	(2,067)	(1,212)
Income tax paid	(16,217)	-
	<u>151,875</u>	<u>74,867</u>
<b>Net cash flows from operating activities</b>		
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(1,349)	(220,196)
Payment for intangible assets	-	(132,966)
	<u>(1,349)</u>	<u>(353,162)</u>
<b>Net cash flows used in investing activities</b>		
<b>Cash Flows From Financing Activities</b>		
Issue of share capital	-	319,230
Dividends paid	(44,662)	-
Repayment of borrowings	(6,641)	(4,755)
	<u>(51,303)</u>	<u>314,475</u>
<b>Net cash flows from / (used in) financing activities</b>		
<b>Net increase in cash held</b>	99,223	36,180
Cash and cash equivalents at start of period	<u>730,087</u>	<u>584,184</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>829,310</u></u>	<u><u>620,364</u></u>

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Condensed Statement of Changes in Equity**  
**for the half-year ended 31 December 2011**

	<u>Notes</u>	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>As at 1 July 2011</b>		1,415,926	(69,445)	1,346,481
Net profit for the period		-	68,789	68,789
Issue of share capital		-	-	-
Dividends paid	5	<u>-</u>	<u>(44,662)</u>	<u>(44,662)</u>
<b>As at 31 December 2011</b>		<u><u>1,415,926</u></u>	<u><u>(45,318)</u></u>	<u><u>1,370,608</u></u>

		<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>As at 1 July 2010</b>		1,078,685	(115,329)	963,356
Net profit for the period		-	31,000	31,000
Issue of share capital		319,230	-	319,230
Dividends paid	5	<u>-</u>	<u>-</u>	<u>-</u>
<b>As at 31 December 2010</b>		<u><u>1,397,915</u></u>	<u><u>(84,329)</u></u>	<u><u>1,313,586</u></u>

**San Remo District Financial Services Limited**

**ABN 20 102 770 150**

**Notes to the Financial Statements**

**for the half-year ended 31 December 2011**

**1. Summary of significant accounting policies**

**(a) Basis of preparation**

San Remo District Financial Services Limited ('the Company') is domiciled in Australia. The financial statements for the half year ending 31 December 2011 are presented in Australian dollars. The Company was incorporated in Australia and the principal operations involve providing community banking services.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of San Remo District Financial Services Limited as at 30 June 2011. It is also recommended that this half year financial report be considered together with any public announcements made by San Remo District Financial Services Limited during the half year ended 31 December 2011 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standard AASB 134 "Interim Financial Reporting".

The half year financial report has been prepared on an accruals basis and is based on historical cost modified by the revaluation of selected non-current assets, financial assets and current liabilities for which the fair value basis of accounting has been applied.

For the purpose of preparing the half year financial statements the half year has been treated as a discrete reporting period.

For the half year reporting period to 31 December 2011, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Company. A discussion of these new and revised requirements that are relevant to the Company is provided below:

**AASB 124- Related Party Disclosures (December 2009)**

AASB 124 (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended) including the following:

- The definition of a related party is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:
  - the definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
  - entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other;
  - the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control over a third party, the second and third entities are related to each other; and
  - The definition now clarifies that a post-employment benefit plan and an employer sponsor of such a plan are related parties of each other.
- A partial exception is provided from the disclosure requirements for government related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.



**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Notes to the Financial Statements**  
**for the half-year ended 31 December 2011**

**1. Basis of preparation and accounting policies (continued)**

**(b) Basis of preparation (continued)**

The adoption of the amendment did not have a significant impact on the financial statements of the Company.

AASB 2010-4 Further amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13].

This standard details numerous non urgent but necessary changes to Accounting Standards arising from the IASB's annual improvement project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian Accounting Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events and transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various standards and interpretations.

The adoption of the amendments did not have a significant impact on the financial statements of the Company.

AASB 1054: Australian Additional Disclosures and AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 and AASB 134 and Interpretations 2, 112 and 113]

AASB 1054 sets out the Australian specific disclosures that are additional to IFRS disclosure requirements. The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

The adoption of the amendments did not have a significant impact on the financial statements of the Company.

The Company has not elected to adopt any other new standards or amendments that are issued but not yet effective.

**(c) Summary of significant accounting policies**

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

**2. Events subsequent to Reporting Date**

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

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Notes to the Financial Statements**  
**for the half-year ended 31 December 2011**

**3. Contingent Assets and Liabilities**

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

**4. Segment Reporting**

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in the geographic area covering San Remo, Grantville and Phillip Island.

**5. Dividends Paid or Proposed**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<i>Dividends proposed and not recognised as a liability</i>		
Final unfranked dividend for the year ended 30 June 2011 of 3 cents	44,662	-

**San Remo District Financial Services Limited**  
**ABN 20 102 770 150**  
**Directors Declaration**  
**for the half-year ended 31 December 2011**

The directors of San Remo District Financial Services Limited, declare that:  
state that:

- (1) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
  - (a) comply with Accounting Standard AASB 134, "Interim Financial Reporting"; and
  - (b) giving a true and fair view of the Company's financial position as at 31 December 2011 and its performance for the half-year ended on that date.
- (2) In the directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



.....  
Terry Ashenden, Director

Signed in San Remo on 28 February 2012

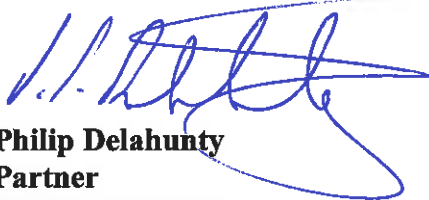
28<sup>th</sup> February 2012

The Directors  
San Remo District Financial Services Limited  
PO Box 101  
San Remo VIC 3925

Dear Directors

**Auditor's Independence Declaration**

In relation to our review of the financial report of San Remo District Financial Services Limited for the half year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



**Philip Delahunty**  
**Partner**  
**Richmond Sinnott & Delahunty**

## **Independent Review Report**

### **To the members of San Remo District Financial Services Limited**

#### ***Scope***

The financial report comprises the condensed statement of comprehensive income, condensed statement of financial position, condensed statement of cash flows, condensed statement of changes in equity, accompanying notes to the financial statements and the directors' declaration for San Remo District Financial Services Limited for the half-year ended 31 December 2011.

The company's directors are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for accounting policies and accounting estimates inherent in the financial report.

#### ***Review Approach***

We conducted an independent review of the half year financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the half year financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis or procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position and of their performance as represented by the results of their operations and their cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than that given in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

### ***Independence***

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

### ***Review Statement***

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 interim financial report of San Remo District Financial Services Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 31 December 2011 and its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

**Richmond Sinnott & Delahunty**  
**Chartered Accountants**



**Philip Delahunty**  
**Partner**

Signed at Bendigo on 28<sup>th</sup> February 2012