

FORM: Half yearly/preliminary final report

Name of issuer

SANDRINGHAM COMMUNITY FINANCIAL SERVICES LTD

ACN or ARBN

86 099 131 192

Half yearly
(tick)

✓

Preliminary
final (tick)

Half year/financial year ended
(Current period)

31 DEC 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 6 %	to 496
Profit (loss) for the period (item 1.9)	up/down 53 %	to 82
Profit (loss) for the period attributable to members of the parent (item 1.11)	up/down 53 %	to 82
Dividends	Current period	Previous corresponding period
Franking rate applicable:		
Final dividend (preliminary final report only) (item 10.13-10.14)		
Amount per security		
Franked amount per security		
Interim dividend (Half yearly report only) (item 10.11 – 10.12)		
Amount per security		
Franked amount per security		
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>	496	468
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(376)	(332)
1.3 Finance costs		
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>		
1.5 Profit (loss) before income tax	120	137
1.6 Income tax expense <i>(see note 4)</i>	(38)	38
1.7 Profit (loss) from continuing operations	82	174
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>		
1.9 Profit (loss) for the period	82	174
1.10 Profit (loss) attributable to minority interests		
1.11 Profit (loss) attributable to members of the parent	82	174
1.12 Basic earnings per security <i>(item 9.1)</i>	13.5	28.58
1.13 Diluted earnings per security <i>(item 9.1)</i>	13.5	28.58
1.14 Dividends per security <i>(item 9.1)</i>		

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)

Current assets		Current period - \$A'000	Previous corresponding period - \$A'000
3.1	Cash and cash equivalents	579	433
3.2	Trade and other receivables	125	94
3.3	Inventories		
3.4	Other current assets (provide details if material) <i>Current tax Refundable</i>		46
3.5	Total current assets	704	573
Non-current assets			
3.6	Available for sale investments		
3.7	Other financial assets		
3.8	Investments in associates	6	6
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)	156	179
3.13	Investment properties		
3.14	Goodwill		
3.15	Other intangible assets	7	17
3.16	Other (provide details if material)		
3.17	Total non-current assets	169	202
3.18	Total assets	873	774
Current liabilities			
3.19	Trade and other payables	102	34
3.20	Short term borrowings		
3.21	Current tax payable	50	
3.22	Short term provisions	42	40
3.23	Current portion of long term borrowings		
3.24	Other current liabilities (provide details if material)		
		194	74
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)		
3.26	Total current liabilities	194	74
Non-current liabilities		194	74

	Current period - \$A'000	Previous corresponding period - \$A'000
3.27 Long-term borrowings		
3.28 Deferred tax liabilities		
3.29 Long term provisions		
3.30 Other (provide details if material)		
3.31 Total non-current liabilities	-	-
3.32 Total liabilities	194	74
3.33 Net assets	679	700
Equity		
3.34 Share capital	519	519
3.35 Other reserves		
3.36 Retained earnings	160	181
Amounts recognised directly in equity relating to non-current assets classified as held for sale		
3.37 Parent interest		
3.38 Minority interest		
3.39 Total equity	679	700

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:		
Expenses recognised directly in equity:		
4.1 Net income recognised directly in equity		
4.2 Profit for the period	82	174
4.3 Total recognised income and expense for the period		
Attributable to:		
4.4 Members of the parent	82	174
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
Cash flows related to operating activities		
5.1 Receipts from customers	484	501
5.2 Payments to suppliers and employees	<37>	<341>
5.3 Interest and other costs of finance paid		
5.4 Income taxes paid	<8>	<17>
5.5 Other (provide details if material) INTEREST RECEIVED	12	9
5.6 Net cash used in operating activities	171	152
Cash flows related to investing activities		
5.7 Payments for purchases of property, plant and equipment		<164>
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		
5.14 Dividends received		
5.15 Other (provide details if material)		
5.16 Net cash used in investing activities	-	<164>
Cash flows related to financing activities		
5.17 Proceeds from issues of securities (shares, options, etc.)		
5.18 Proceeds from borrowings		
5.19 Repayment of borrowings		
5.20 Dividends paid	<37>	<37>
5.21 Other (provide details if material)		
5.22 Net cash used in financing activities	<37>	<37>
Net increase (decrease) in cash and cash equivalents	134	<49>
5.23 Cash at beginning of period (see Reconciliations of cash)	445	482
5.24 Exchange rate adjustments to item 5.23		
5.25 Cash at end of period (see Reconciliation of cash)	579	453

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 Profit (item 1.9)	82	174
Adjustments for:		
6.2 Depreciation	12	8
6.3 Amortisation	5	5
6.4		
6.5 (Increase)decrease in other receivable	(18)	4
6.6 Increase(decrease) in tax payable	30	(55)
6.7 Increase(decrease) in provisions	4	2
6.8 Increase(decrease) in other payables	56	14
6.9 Increase/decrease in		
6.10 Net cash from operating activities (item 5.6)	171	152

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	469	458
COMPENSATION CLAIM	16	-
INTEREST	11	10
7.1 Total Revenue	496	468
Expenses		
EMPLOYEE BENEFITS	<172>	<162>
CHARITABLE DONATIONS + SPONSORSHIPS	<55>	<16>
DEPRECIATION & AMORTISATION	<17>	<13>
OTHER EXPENSES	<133>	<141>
7.2 Total Expenses	<377>	<332>
Profit (loss) before tax	82 82	174 174

Ratios	Current period	Previous corresponding period
Profit before tax / revenue		
8.1 Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	24 ⁶ / ₁₀	29 ⁶ / ₁₀
Profit after tax / equity interests		
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)	17 ⁶ / ₁₀	37 ⁶ / ₁₀

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:

The numerator is equal to profit after tax
Current Period \$82,355 Prior corresponding Period \$174,365

The denominator is equal to the weighted average number of ordinary shares on issue
Current period 610,008 Prior Period 610,008

Dividends

- 10.1 Date the dividend is payable
- 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.

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

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- 10.5 Any other disclosures in relation to dividends or distributions

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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
Dividends paid or provided for during the reporting period			
10.6 Current year interim			
10.7 Franked dividends			
10.8 Previous year final			
10.9 Franked dividends	<37>	<37>	100%
Dividends proposed and not recognised as a liability			
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
Dividends paid or provided for during the reporting period			
10.11 Current year interim			
10.12 Franked dividends – cents per share			
10.13 Previous year final			
10.14 Franked dividends – cents per share	6	6	100%
Dividends proposed and not recognised as a liability			
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. Closing balance as shown in the consolidated balance sheet (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. Closing balance as shown in the consolidated balance sheet (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. Profit (loss) from discontinued operations before income tax		
13.4. Income tax expense (as per para 81 (h) of AASB 112)		
13.5. Gain (loss) on sale/disposal of discontinued operations		
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 correspondin g period – A\$'000
14.1	Preference securities <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	Ordinary securities <i>(description)</i>					
14.7	Balance at start of period	610,008	610,008	85	519	519
14.8	a) Increases through issues					
14.9	b) Decreases through returns of capital, buybacks etc.					
14.10	Balance at end of period	610,008	610,008	85	519	519
14.11	Convertible Debt Securities <i>(description & 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					

	Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous correspondin g period – A\$'000
14.16 Options <i>(description & 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 Debentures <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 Unsecured Notes <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 Total Securities					

	Current period – A\$'000	Previous corresponding period – A\$'000
Reserves		
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 Total reserves		
Retained earnings		
14.38 Balance at start of period	184	44
14.39 Changes in accounting policy <i>Correction of tax provision</i>	<70>	
14.40 Restated balance	114	
14.41 Profit for the balance	82	174
14.42 Total for the period	196	218
14.43 Dividends	<37>	<37>
14.44 Balance at end of period	160	181

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

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	Profit (loss) after tax		
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	Share of net profit (loss) of associates and joint venture entities		

Control gained over entities having material effect

(See note 8)

16.1 Name of issuer (or group)

16.2 Consolidated profit (loss) after tax of the issuer (or group) since the date in the current period on which control was acquired

16.3 Date from which profit (loss) in item 16.2 has been calculated

16.4 Profit (loss) after tax of the issuer (or group) 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 issuer (or group)	
17.2	Consolidated profit (loss) after tax of the entity (or group) for the current period to the date of loss of control	\$A'000
17.3	Date from which the profit (loss) in item 17.2 has been calculated	
17.4	Consolidated profit (loss) after tax of the entity (or group) 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) (item 1.9)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
				Equity accounted	
18.2	Total				
18.3	Other material interests			Non equity accounted (i.e. part of item 1.9)	
18.4	Total				

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.

	Current period - \$A'000	Previous corresponding period - \$A'000
Segments		
Revenue:		
19.1 External sales		
19.2 Inter-segment sales		
19.3 Total (consolidated total equal to item 1.1)		
19.4 Segment result		
19.5 Unallocated expenses		
19.6 Operating profit (equal to item 1.5)		
19.7 Interest expense		
19.8 Interest income		
19.9 Share of profits of associates		
19.10 Income tax expense		
19.11 Net profit (consolidated total equal to item 1.9)		
Other information		
19.12 Segment assets		
19.13 Investments in equity method associates		
19.14 Unallocated assets		
19.15 Total assets (equal to item 3.18)		
19.16 Segment liabilities		
19.17 Unallocated liabilities		
19.18 Total liabilities (equal to item 3.32)		
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	111c	115c

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	No MATERIAL TRANSACTIONS
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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	NOT FIRST ACCOUNTS UNDER IFRS
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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	THIS IS INCLUDED IN NOTE 1 TO THE ACCOUNTS
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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)

No issues

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

\$60,641 FRANKING CREDITS AVAILABLE. THE COMPANY WILL CONSIDER PAYMENT OF A FULLY FRANKED DIVIDEND IN OCTOBER 2012 BASED ON ITS 30 JUNE 2012 RESULTS

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.)

NO CHANGES IN HALF YEAR ACCOUNTS

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)

Not applicable

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)

No revisions of estimates were material

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)

No material change

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)

NONE NOTED. TAXATION LIABILITY AT 30 JUNE 2011 WAS AMENDED IN THESE ACCOUNTS

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

Date

Time

Approximate date the annual report will be available

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

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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:  Date: 15/3/12
(~~Director/Company secretary~~)

Print name: DAVID LINE ZANN



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

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Independent Review Report

To the members of Sandringham Community 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 Sandringham Community 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 Sandringham Community 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 14 March 2012

14 March 2012

The Directors
Sandringham Community Financial Services Limited
75 Station Street
SANDRINGHAM VIC 3191

Dear Directors

Auditor's Independence Declaration

In relation to our review of the financial report of Sandringham Community 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

Sandringham Community Financial Services Ltd
Half Year Financial Report
as at
31 December 2011

Sandringham Community Financial Services Limited
ABN 86 099 131 192
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:

Graham Manson Ludecke (Chair)

Glenyss Airdrie Barnes

Michael John Davies

Glen Hay Kruger

Helen Diana Searle

Ian Richard Siebert

Campbell John Sinclair

Kim Visek-Johnson (resigned 8 August 2011)

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 & Adelaide Bank Limited.

Review and results of operations

Operations have continued to perform in line with expectations. The net profit/(loss) of the company for the financial period was \$82,355 (2010: \$174,365).

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.

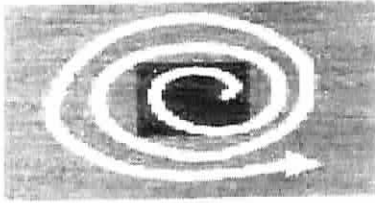
Significant changes in the state of affairs

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.

Sandringham Community Financial Services Limited
ABN 86 099 131 192
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@rsdadvisors.com.au

Chartered Accountants

Auditor's Independence Declaration

In relation to our review of the financial report of Sandringham Community 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

14-Mar-12

Signed in accordance with a resolution of the Directors at Sandringham, Victoria
on 14 March 2012.


.....
Graham Manson Ludecke (Chair)

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Condensed Statement of Comprehensive Income
for the half-year ended 31 December 2011

	2011	2010
	\$	\$
Revenue from ordinary activities	496,283	468,541
Employee benefits expense	(171,545)	(161,755)
Charitable donations and sponsorship	(54,974)	(15,755)
Depreciation and amortisation expense	(16,817)	(12,967)
Other expenses from ordinary activities	<u>(133,154)</u>	<u>(141,371)</u>
Profit/(loss) before income tax expense	119,793	136,693
Income tax expense	<u>37,438</u>	<u>(37,672)</u>
Profit/(loss) after income tax expense for the half year	82,355	174,365
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the half year	<u><u>82,355</u></u>	<u><u>174,365</u></u>
 Earnings per share (cents per share)		
- basic for profit for the half year	13.50	28.58
- diluted for profit for the half year	13.50	28.58

The accompanying notes form part of these financial statements

Sandringham Community Financial Services Limited

ABN 86 099 131 192

Condensed Statement of Financial Position

as at 31 December 2011

	31-Dec 2011 \$	30-Jun 2011 \$
ASSETS		
Current Assets		
Cash and cash equivalents	579,441	444,701
Receivables	124,916	107,217
Total Current Assets	<u>704,357</u>	<u>551,918</u>
Non-Current Assets		
Property, plant and equipment	156,123	167,940
Investments	5,689	5,689
Intangible assets	6,667	11,667
Total Non-Current Assets	<u>168,479</u>	<u>185,296</u>
Total Assets	<u>872,836</u>	<u>737,214</u>
LIABILITIES		
Current Liabilities		
Payables	102,099	46,368
Income tax payable	50,348	20,653
Provisions	41,861	37,419
Total Current Liabilities	<u>194,308</u>	<u>104,440</u>
Total Liabilities	<u>194,308</u>	<u>104,440</u>
Net Assets	<u>678,528</u>	<u>632,774</u>
Equity		
Issued capital	518,507	518,507
Retained earnings / (accumulated losses)	160,021	114,267
Total Equity	<u>678,528</u>	<u>632,774</u>

The accompanying notes form part of these financial statements

	2011	2010
	\$	\$
Cash Flows From Operating Activities		
Cash receipts in the course of operations	483,983	500,526
Cash payments in the course of operations	(317,199)	(341,246)
Interest received	12,300	9,406
Income tax paid	<u>(7,744)</u>	<u>(17,267)</u>
Net cash flows from / (used in) operating activities	<u>171,340</u>	<u>151,419</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	<u>-</u>	<u>(164,114)</u>
Net cash flows from / (used in) investing activities	<u>-</u>	<u>(164,114)</u>
Cash Flows From Financing Activities		
Dividends paid	<u>(36,600)</u>	<u>(36,600)</u>
Net cash flows from / (used in) financing activities	<u>(36,600)</u>	<u>(36,600)</u>
Net increase / (decrease) in cash held	134,740	(49,295)
Cash and cash equivalents at start of period	<u>444,701</u>	<u>481,876</u>
Cash and cash equivalents at end of period	<u><u>579,441</u></u>	<u><u>432,581</u></u>

The accompanying notes form part of these financial statements

Sandringham Community Financial Services Limited

ABN 86 099 131 192

**Condensed Statement of Changes in Equity
for the half-year ended 31 December 2011**

	<u>Notes</u>	Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2010		518,507	43,484	561,991
Profit/(loss) after income tax expense		-	174,365	174,365
Dividends paid	5	<u>-</u>	<u>(36,600)</u>	<u>(36,600)</u>
As at 31 December 2010		<u>518,507</u>	<u>181,249</u>	<u>699,756</u>

		Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2011		518,507	184,143	702,650
Correction of error	6	-	(69,876)	(69,876)
Restated Opening Balance as at 1 July 2011		<u>518,507</u>	<u>114,267</u>	<u>632,774</u>
Profit/(loss) after income tax expense		-	82,355	82,355
Dividends paid	5	<u>-</u>	<u>(36,601)</u>	<u>(36,601)</u>
As at 31 December 2011		<u>518,507</u>	<u>160,021</u>	<u>678,528</u>

The accompanying notes form part of these financial statements

Sandringham Community Financial Services Limited

ABN 86 099 131 192

**Notes to the Financial Statements
for the half-year ended 31 December 2011**

1. Summary of significant accounting policies

(a) Basis of preparation

Sandringham Community 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 Sandringham Community 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 Sandringham Community 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".

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

(b) New and revised accounting requirements applicable to the half year 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.

Sandringham Community Financial Services Limited

ABN 86 099 131 192

**Notes to the Financial Statements
for the half-year ended 31 December 2011**

1. Basis of preparation and accounting policies (continued)

(a) 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.

Sandringham Community Financial Services Limited
ABN 86 099 131 192
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 one geographic area being Melbourne.

5. Dividends Paid

2011	2010
\$	\$
<i>Dividends paid during the half year</i>	
Final franked dividend for the year ended 30 June 2011 of 6 cents	
36,600	36,600

6. Correction of Error

The entity had made a provisional estimate of its tax asset at the 30 June 2011 financial year. On finalisation of its 2011 tax return, that provisional estimate has now been corrected. This results in the following corrections to comparatives and the opening balance of retained earnings.

	June 2011	Dec 2011	Difference
Current Tax Refundable	15,190	-	15,190
Deferred Tax Asset	34,033	-	34,033
Tax Payable	-	20,653	20,653
Retained Earnings	184,143	114,267	(69,876)
			<u>-</u>

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Directors Declaration
for the half-year ended 31 December 2011

The directors of Sandringham Community Financial Services Limited, declare that:

- (1) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134, "Interim Financial Reporting"; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 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



.....
Graham Manson Ludecke (Chair)

Signed at Sandringham Victoria on 14 March 2012.