

FORM: Half yearly/preliminary final report

Name of issuer

Sandringham Community Financial Services Limited

ACN or ARBN

86 099 131 192

Half yearly

(tick)

✓

Preliminary

final (tick)

Half year/financial year ended
(Current period)

31 December 2012

For announcement to the market

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

				\$A,000
Revenue (item 1.1)	down	10 %	to	445
Profit (loss) for the period (item 1.9)	down	58 %	to	34
Profit (loss) for the period attributable to members of the parent (item 1.11)	down	58 %	to	34
Dividends				
Franking rate applicable:		Current period	Previous corresponding period	
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>	445	496
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	397	376
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	48	120
1.6 Income tax expense <i>(see note 4)</i>	14	38
1.7 Profit (loss) from continuing operations		
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>		
1.9 Profit (loss) for the period	34	82
1.10 Profit (loss) attributable to minority interests		
1.11 Profit (loss) attributable to members of the parent	34	82
1.12 Basic earnings per security <i>(item 9.1)</i>	5.5	13.5
1.13 Diluted earnings per security <i>(item 9.1)</i>	5.5	13.5
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	529	579
3.2	Trade and other receivables	88	125
3.3	Inventories		
3.4	Other current assets (provide details if material)		
3.5	Total current assets	617	704
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)	138	156
3.13	Investment properties		
3.14	Goodwill		
3.15	Other intangible assets	54	7
3.16	Other (provide details if material)		
3.17	Total non-current assets	198	169
3.18	Total assets	815	873
Current liabilities			
3.19	Trade and other payables	48	102
3.20	Short term borrowings		
3.21	Current tax payable	8	38
3.22	Short term provisions	51	42
3.23	Current portion of long term borrowings		
3.24	Other current liabilities (provide details if material)		
		107	182
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)		
3.26	Total current liabilities	107	182
Non-current liabilities			

		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	107	182
3.33	Net assets	708	691
	Equity		
3.34	Share capital	519	519
3.35	Other reserves		
3.36	Retained earnings	189	172
	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	708	691

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:	445	496
Expenses recognised directly in equity:	397	376
4.1 Net income recognised directly in equity		
4.2 Profit for the period	48	120
4.3 Total recognised income and expense for the period		
Attributable to:		
4.4 Members of the parent	48	120
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	493	484
5.2 Payments to suppliers and employees	(408)	(317)
5.3 Interest and other costs of finance paid		
5.4 Income taxes paid	(11)	(8)
5.5 Other (provide details if material) Interest	12	12
5.6 Net cash used in operating activities	86	171
Cash flows related to investing activities		
5.7 Payments for purchases of property, plant and equipment		
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 – Purchase of Intangible Asset	(57)	
5.16 Net cash used in investing activities	(57)	
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	(8)	134
5.23 Cash at beginning of period <i>(see Reconciliations of cash)</i>	537	445
5.24 Exchange rate adjustments to item 5.23		
5.25 Cash at end of period <i>(see Reconciliation of cash)</i>	529	579

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)	34	82
Adjustments for:		
6.2 Depreciation and Amortisation	17	17
6.3		
6.4		
6.5 decrease in receivables	16	(18)
6.6 Increase in tax payable	4	30
6.7 Increase in trade payables	10	56
6.8 Increase in provisions	5	4
6.9 Increase/decrease in		
6.10 Net cash from operating activities (item 5.6)	86	171

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	433	469
Compensation Claim		16
Interest	12	11
7.1 Total Revenue	445	496
Expenses		
Employee Benefits	191	172
Charitable Donations and Sponsorships	49	54
Depreciation and Amortisation	17	17
7.2 Other Expenses	140	133
Total Expenses	397	376
Profit (loss) before tax	48	120

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)	11%	24%
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)	5%	12%

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 and the denominator is equal to the weighted average number of ordinary shares on issue (ie 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.

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
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 cents	6 cents	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 <i>(as per para 81 (h) of AASB 112)</i>		
13.5 Gain (loss) on sale/disposal of discontinued operations		
13.6 Income tax expense <i>(as per paragraph 81(h) of AASB 112)</i>		

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	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 cents	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 cents	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	Number	Paid-up value	Current period –	Previous corresponding

		issued	listed	(cents)	A\$'000	period – A\$'000
14.16	Options (description & conversion factor)					
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 (description)					
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 (description)					
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	193	184
14.39	Changes in accounting policy		(57)
14.40	Restated balance		127
14.41	Profit for the balance	34	82
14.42	Total for the period	227	209
14.43	Dividends	(37)	(37)
14.44	Balance at end of period	190	172

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

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Reporting entities percentage holding

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		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*)

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16.2 Consolidated profit (loss) after tax of the *issuer* (or *group*) since
the date in the current period on which control was acquired16.3 Date from which profit (loss) in *item 16.2* has been calculated16.4 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)

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17.2 Consolidated profit (loss) after tax of the entity (or group) for the current period to the date of loss of control

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

\$A'000

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	107 cents	112 cents

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	N/a
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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	Included in note 1 in the Financial Statements
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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)

The trading revenues for the first half reflect tighter market conditions following successive reductions in interest rates and competition for deposits and lending across the sector, with a consequent impact on first half profitability relative to the prior year. The Board has indicated that these conditions are likely to continue through the second half year.

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.

On 22 February 2013, Bendigo and Adelaide Bank Ltd, the company's franchise partner, informed the company that effective from 1 April 2013 the trailer commission on fixed rate home loans and term deposits greater than 90 days will reduce from 0.375 per cent to 0.25 per cent.

The reduction in trailer commission rates is expected to have a financial effect on the expected revenue and financial performance of the company in future periods.

At the date of this report the Board is unable to quantify the financial effect. Further confirmation of the financial effect will be available in the annual report for the year ended 30 June 2013.

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.)

n/a

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS¹ 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)*

n/a

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)*

n/a

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

n/a

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)*

n/a

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)*

n/a

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).

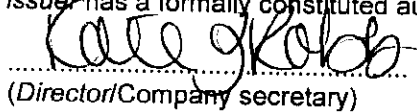
The financial statements are in the process of being audited or subject to review.

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 a formally constituted audit committee.

Sign here:


(Director/Company secretary)

Date:

13.3.13

Print name:Kate Robb.....

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
SANDRINGHAM COMMUNITY FINANCIAL SERVICES LIMITED**

Report on the Half-year Financial Report

We have reviewed the accompanying half year financial report of Sandringham Community Financial Services Limited, which comprises the Condensed Statement of Financial Position as at 31 December 2012, the Statement of Profit or Loss and Other Comprehensive Income, Condensed Statement of Changes in Equity, and Condensed Statement of Cash Flows for the half-year ended on 31 December 2012, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with *Corporations Act 2001* including: giving a true and fair view of Sandringham Community Financial Services Limited's financial position as at 31 December 2012 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sandringham Community Financial Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

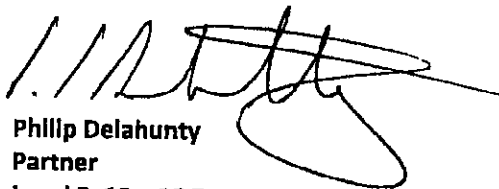
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written auditor's independence declaration, a copy which is included in the director's report.

Conclusion

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

- (i) giving a true and fair view of Sandringham Community Financial Services Limited's financial position as at 31 December 2012 and of its performance for the half year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Richmond Sinnott & Delahunty
Chartered Accountants



Philip Delahunty
Partner
Level 2, 10 – 16 Forest Street
Bendigo VIC 3550

Dated: 6 March 2013

Sandringham Community Financial Services Limited
Financial Statements
as at
31 December 2012

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Directors' Report

Your Directors submit the financial report of the Company for the half year ended 31 December 2012.

Directors

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

Graham Manson Ludecke (Chairman)

Michael John Davies

Glen Hay Kruger

Helen Diana Searle

Ian Richard Siebert

Campbell John Sinclair

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 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 after providing for income tax of the company for the financial period was \$33,662 (2011: \$82,355).

Matters subsequent to the end of the reporting period

On 22 February 2013, Bendigo and Adelaide Bank Limited, the company's franchise partner, informed the company that effective from 1 April 2013 the trailer commission on fixed rate home loans and term deposits greater than 90 days will reduce from 0.375 per cent to 0.25 per cent.

Bendigo and Adelaide Bank Limited also informed the company the regional manager will make time with the Board to discuss the potential impact of this change.

The reduction in trailer commission rates is expected to have a financial effect on the expected revenue and financial performance of the company in future periods.

At the date of this report the Board is unable to quantify the financial effect. Further confirmation of the financial effect will be available in the annual report for the year ended 30 June 2013.

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

Significant changes in the state of affairs

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

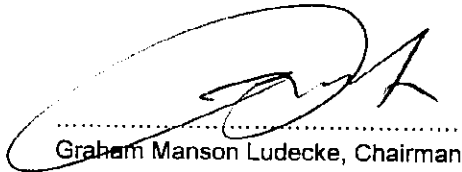
Auditor's independence declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Directors' Report

on page 3 for the half year ended 31 December 2012.

Signed in accordance with a resolution of the Board of Directors at Sandringham Community Financial Services Limited on 6 March 2013.



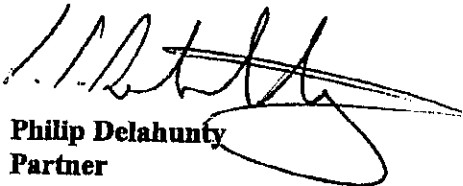
.....
Graham Manson Ludecke, Chairman

**Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to
the Directors of Sandringham Community Financial Services Limited**

I declare that to the best of my knowledge and belief, during the half year ended 31 December 2012 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants



Philip Delahunty
Partner
Level 2, 10-16 Forest Street
Bendigo Vic 3550
Dated, 6 March 2013

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2012

	31-Dec 2012 \$	31-Dec 2011 \$
Revenue	445,249	496,283
Employee benefits expense	(191,315)	(171,545)
Depreciation and amortisation expense	(17,389)	(16,817)
Other expenses from ordinary activities	<u>(139,589)</u>	<u>(133,154)</u>
Profit before charitable donations & sponsorships	96,956	174,767
Charitable donations and sponsorship	<u>(48,868)</u>	<u>(54,974)</u>
Profit before income tax	48,088	119,793
Income tax expense	<u>14,426</u>	<u>37,438</u>
Profit for the period	33,662	82,355
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>33,662</u></u>	<u><u>82,355</u></u>
Earnings per share (cents per share)		
- basic earnings per share	5.52	13.50
- diluted earnings per share	5.52	13.50

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 2012

	31-Dec 2012 \$	30-Jun 2012 \$
ASSETS		
Current Assets		
Cash and cash equivalents	529,014	537,351
Trade and other receivables	88,156	104,614
Total Current Assets	<u>617,170</u>	<u>641,965</u>
Non-Current Assets		
Property, plant and equipment	138,027	149,903
Investments	6,207	6,028
Intangible assets	53,840	1,667
Total Non-Current Assets	<u>198,074</u>	<u>157,598</u>
Total Assets	<u>815,244</u>	<u>799,563</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	47,876	37,107
Income tax payable	7,909	4,717
Provisions	50,970	46,311
Total Current Liabilities	<u>106,755</u>	<u>88,135</u>
Total Liabilities	<u>106,755</u>	<u>88,135</u>
Net Assets	<u>708,489</u>	<u>711,428</u>
Equity		
Issued capital	518,507	518,507
Retained earnings	189,982	192,921
Total Equity	<u>708,489</u>	<u>711,428</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 2012

		Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2012		518,507	192,921	711,428
Total comprehensive income for the period		-	33,662	33,662
Transactions with owners in their capacity as owners:				
Shares issued during the period		-	-	-
Dividends recognised for the period	5	-	(36,601)	(36,601)
Balance at 31 December 2012		<u>518,507</u>	<u>189,982</u>	<u>708,489</u>
Balance at 1 July 2011		518,507	184,143	702,650
Restatement of Prior Year Tax Balances	7	-	(57,552)	(57,552)
Restated opening balance as at 1 July 2011		518,507	126,591	645,098
Total comprehensive income for the period		-	82,355	82,355
Transactions with owners in their capacity as owners:				
Shares issued during the period		-	-	-
Dividends recognised for the period	5	-	(36,601)	(36,601)
Balance at 31 December 2011		<u>518,507</u>	<u>172,345</u>	<u>690,852</u>

The accompanying notes form part of these financial statements

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Condensed Statement of Cash Flows
for the half-year ended 31 December 2012

	31-Dec 2012 \$	31-Dec 2011 \$
Cash Flows From Operating Activities		
Receipts from customers	492,792	483,983
Payments to suppliers and employees	(407,647)	(317,199)
Interest received	12,218	12,300
Income tax paid	(11,234)	(7,744)
Net cash flows from operating activities	<u>86,129</u>	<u>171,340</u>
Cash Flows From Investing Activities		
Purchase of intangible assets	(57,686)	-
Purchase of investments	(179)	-
Net cash flows used in investing activities	<u>(57,865)</u>	<u>-</u>
Cash Flows From Financing Activities		
Dividends paid	(36,601)	(36,600)
Net cash flows used in financing activities	<u>(36,601)</u>	<u>(36,600)</u>
Net increase in cash held	(8,337)	134,740
Cash and cash equivalents at beginning of period	<u>537,351</u>	<u>444,701</u>
Cash and cash equivalents at end of period	<u><u>529,014</u></u>	<u><u>579,441</u></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 2012**

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Sandringham Community Financial Services Limited ("the Company"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2012, together with any public announcements made during the following half-year.

(b) Accounting policies

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

(c) Critical accounting estimates and judgements

The critical estimates and judgements are consistent with those applied and disclosed in the June 2012 annual report.

(d) New and revised accounting requirements applicable to the current half year reporting period

For the half year reporting period to 31 December 2012, 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:

The Company adopted AASB 2011-9: Amendments to Australian Accounting Standards- Presentation of Items of Other Comprehensive Income on 1 July 2012. AASB 2011-9 is mandatorily applicable from 1 July 2012 and amends AASB 101: Presentation of Financial Statements.

AASB 2011-9 amends the presentation requirements of other comprehensive income. As the financial report contains no other comprehensive income, this has not affected the presentation of the financial statements.

AASB 2011-9 also amends AASB 101 to change the title "Income Statement" to "Statement of Profit or Loss and Other Comprehensive Income" when the single statement approach is followed. Although other titles are also permitted, the Company has decided to use the title "Statement of Profit or Loss and Other Comprehensive Income."

The adoption of AASB 2011-9 only changed the presentation of the Company's financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the Company's financial statements.

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

Sandringham Community Financial Services Limited
ABN 86 099 131 192

Notes to the Financial Statements
for the half-year ended 31 December 2012

2. Events subsequent to reporting date

On 22 February 2013, Bendigo and Adelaide Bank Limited, the company's franchise partner, informed the company that effective from 1 April 2013 the trailer commission on fixed rate home loans and term deposits greater than 90 days will reduce from 0.375 per cent to 0.25 per cent.

Bendigo and Adelaide Bank Limited also informed the company the regional manager will make time with the Board to discuss the potential impact of this change.

The reduction in trailer commission rates is expected to have a financial effect on the expected revenue and financial performance of the company in future periods.

At the date of this report the Board is unable to quantify the financial effect. Further confirmation of the financial effect will be available in the annual report for the year ended 30 June 2013.

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

3. Contingent assets and liabilities

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

4. 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, Victoria.

5. Dividends

	2012	2011
	\$	\$
<i>Dividends paid during the half year</i>		
Final franked dividend for the year ended 30 June 2012 of 6 cents (2011: 6 cents)	36,601	36,601

6. Analysis of other comprehensive income

There was no other comprehensive income during the reporting period.

7. Restatement of Prior Year Tax Balances

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. The variance is due to a change in the estimate of the tax benefit attributed to an investment allowance, and the correction of an accounting calculation error made when calculating that investment allowance. The total adjustment attributable to this is \$66,552. In addition, a tax benefit of \$9,000 was identified relating to allowable franchise fee deductions not previously claimed. The net effect of these two errors is \$57,552.

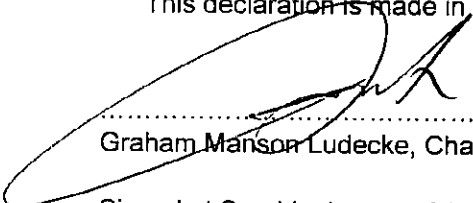
	Original June 2011	Restated June 2011	Difference
	\$	\$	\$
Current tax refundable	15,190	-	15,190
Deferred tax asset	34,033	-	34,033
Tax payable	-	8,329	8,329
Retained earnings	184,143	126,591	(57,552)
			<u>-</u>

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Directors Declaration
for the half-year ended 31 December 2012

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

- (1) The financial statements and notes, as set out on pages 4 to 9 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 2012 and of its performance for the half-year ended on that date.
- (2) In the directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



.....
Graham Manson Ludecke, Chairman

Signed at Sandringham on 6 March 2013