

FORM: Half yearly/preliminary final report

Name of issuer

Sandringham Community Financial Services Limited

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended (Current period)
86 099 131 192	✓		31 December 2013

For announcement to the market

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

				\$A,000
Revenue (item 1.1)	down	18 %	to	336
Profit (loss) for the period (item 1.9)	down	82 %	to	6
Profit (loss) for the period attributable to members of the parent (item 1.11)	down	82 %	to	6
Dividends				
Franking rate applicable:				
Final dividend (preliminary final report only)(item 10.13-10.14)		N/a		N/a
Amount per security				
Franked amount per security				
Interim dividend (Half yearly report only) (item 10.11 – 10.12)		N/a		N/a
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:				
N/a				

Ratios

		Current period	Previous corresponding period
Profit before tax / revenue			
8.1	Consolidated profit (loss) before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	3%	11%
Profit after tax / equity interests			
8.2	Consolidated profit (loss) after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 3.37</i>)	1%	5%

NTA Backing

(see note 7)

20.1		Current period	Previous corresponding period
Net tangible asset backing per ordinary security		107 cents	107 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

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

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

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)

N/a

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.

N/a

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 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)

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 assets 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: Kate Robb Date: 7-3-14
(Director/Company secretary)

Print name:Kate Robb.....

**Sandringham Community Financial Services
Limited**

Financial Statements

as at

31 December 2013

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 2013.

Directors

The names of directors who held office during or since the end of the half-year:

Graham Manson Ludecke (Chairman)

Michael John Davies

Glen Hay Kruger

Ian Richard Siebert

Campbell John Sinclair

Kate Jean Robb (appointed 3 February 2014)

Helen Diana Searle (resigned 28 November 2013)

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 of the company for the financial period was \$6,343 (2012: \$33,662).

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's independence declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 3 for the half year ended 31 December 2013.

The director's report is signed in accordance with a resolution of the Board of Directors at Sandringham Community Financial Services Limited on 6 March 2014.



.....
Graham Ludecke, Chairperson

Level 2, 10-16 Forest Street
Bendigo, Victoria
PO Box 30, Bendigo, VIC 3552

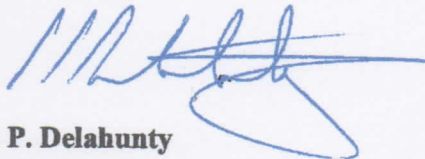
Telephone: (03) 5445 4200
Fax: (03) 5444 4344
Email: rsd@rsd advisors.com.au
www.rsd advisors.com.au

**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 2013 there have been no contraventions of:

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

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants



P. P. Delahunty
Partner
Level 2, 10-16 Forest Street
Bendigo VIC 3550
Dated at Bendigo, 6 March 2014

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 2013

	31-Dec 2013 \$	31-Dec 2012 \$
Revenue	366,427	445,249
Employee benefits expense	(201,718)	(191,315)
Depreciation and amortisation expense	(17,212)	(17,389)
Other expenses from ordinary activities	<u>(115,338)</u>	<u>(139,589)</u>
Profit before charitable donations & sponsorships	32,159	96,956
Charitable donations and sponsorship	<u>(23,099)</u>	<u>(48,868)</u>
Profit before income tax	9,060	48,088
Income tax expense	<u>2,717</u>	<u>14,426</u>
Profit for the period	6,343	33,662
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>6,343</u></u>	<u><u>33,662</u></u>
Earnings per share (cents per share)		
- basic earnings per share	1.04	5.52
- diluted earnings per share	1.04	5.52

The accompanying notes form part of these financial statements

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Statement of Financial Position
as at 31 December 2013

	31-Dec 2013 \$	30-Jun 2013 \$
ASSETS		
Current Assets		
Cash and cash equivalents	515,371	554,441
Trade and other receivables	74,964	80,313
Current Tax Receivable	49,705	27,942
Total Current Assets	<u>640,040</u>	<u>662,696</u>
Non-Current Assets		
Property, plant and equipment	116,408	126,151
Investments	6,592	6,394
Intangible assets	42,303	48,072
Total Non-Current Assets	<u>165,303</u>	<u>180,617</u>
Total Assets	<u>805,343</u>	<u>843,313</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	49,703	62,965
Provisions	55,575	50,025
Total Current Liabilities	<u>105,278</u>	<u>112,990</u>
Total Liabilities	<u>105,278</u>	<u>112,990</u>
Net Assets	<u>700,065</u>	<u>730,323</u>
Equity		
Issued capital	518,507	518,507
Retained earnings	181,558	211,816
Total Equity	<u>700,065</u>	<u>730,323</u>

The accompanying notes form part of these financial statements

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Statement of Changes in Equity
for the half-year ended 31 December 2013

		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:				
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 2013		518,507	211,816	730,323
Total comprehensive income for the period		-	6,343	6,343
Transactions with owners in their capacity as owners:				
Dividends recognised for the period	5	-	(36,601)	(36,601)
Balance at 31 December 2013		<u>518,507</u>	<u>181,558</u>	<u>700,065</u>

The accompanying notes form part of these financial statements

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Statement of Cash Flows
for the half-year ended 31 December 2013

	31-Dec 2013 \$	31-Dec 2012 \$
Cash Flows From Operating Activities		
Receipts from customers	399,050	492,613
Payments to suppliers and employees	(383,752)	(407,647)
Dividends received	198	179
Interest received	8,413	12,218
Income tax paid	(24,480)	(11,234)
	<u> </u>	<u> </u>
Net cash flows from / (used in) operating activities	<u>(571)</u>	<u>86,129</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(1,700)	-
Purchase of intangible assets	-	(57,686)
Purchase of investments	(198)	(179)
	<u> </u>	<u> </u>
Net cash flows used in investing activities	<u>(1,898)</u>	<u>(57,865)</u>
Cash Flows From Financing Activities		
Dividends paid	(36,601)	(36,601)
	<u> </u>	<u> </u>
Net cash flows used in financing activities	<u>(36,601)</u>	<u>(36,601)</u>
Net decrease in cash held	(39,070)	(8,337)
Cash and cash equivalents at beginning of period	<u>554,441</u>	<u>537,351</u>
Cash and cash equivalents at end of period	<u><u>515,371</u></u>	<u><u>529,014</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 2013

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 2013 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 2013, 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 2013 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 2013, 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:

Fair Value Measurements and disclosures

The Company has adopted AASB 13: Fair Value Measurement and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB 13* from July 1 2013 together with consequential amendments to other Standards. These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Company for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value. New disclosures prescribed by AASB 13 that are material to this interim financial report have been provided in Note 7. Although these Standards do not significantly impact the fair value amounts reported in the Company's financial statements, the directors have determined that additional accounting policies providing a general description of fair value measurement and each level of the fair value hierarchy, as set out in Note 1(e), should be incorporated in these financial statements.

Other

Other new and amending Standards that became applicable to the Group for the first time during this half-year reporting period are as follows:

AASB 2012-2: *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities* and AASB 2012-5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*.

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Notes to the Financial Statements
for the half-year ended 31 December 2013

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

These Standards make changes to presentation and disclosure requirements, but did not affect the Company's accounting policies or the amounts reported in the financial statements.

AASB 119: Employee Benefits (September 2011) and *AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119* (September 2011).

These Standards did not affect the Company's accounting policies or the amounts reported in the financial statements, mainly because the Company does not have defined benefit plan assets or obligations.

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

(e) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Company's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Notes to the Financial Statements
for the half-year ended 31 December 2013

(e) Fair Value of Assets and Liabilities (continued)

Valuation Techniques

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- *Market Approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income Approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost Approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Company would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Company recognises transfers between levels of the fair value hierarchy (ie transfer into and out of each level of the fair value hierarchy) on the date the event or change in circumstance occurred.

Sandringham Community Financial Services Limited

ABN 86 099 131 192

**Notes to the Financial Statements
for the half-year ended 31 December 2013**

2. Events after the End of the Interim Period

There have been no events subsequent to reporting 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

A fully franked dividend for the year ended 30 June 2013 of 6 cents (2012: 6 cents) was paid during the half year.

6. Analysis of other comprehensive income

There was no other comprehensive income during the reporting period.

7. Fair Value Measurement

a. Recurring and Non-recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements are Categorised.

**Fair Value Measurements at
31 December 2013 Using:**

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs Other than Level 1 Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Recurring fair value measurements			
Securities held for trading (fair value through profit or loss):			
- financial sector	6,592	-	-

**Fair Value Measurements at
30 June 2013 Using:**

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs Other than Level 1 Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Recurring fair value measurements			
Securities held for trading (fair value through profit or loss):			
- financial sector	6,394	-	-

There were no transfers between Level 1 and Level 2 during the reporting period.

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Directors Declaration
for the half-year ended 31 December 2013

In accordance with a resolution of the directors of Sandringham Community Financial Services Limited the directors of the Company declare that:

- (1) The financial statements and notes, as set out on pages 4 to 11 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 2013 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 Ludecke, Chairperson

Signed at Sandringham on 6 March 2014

**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 2013, the Condensed 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 that date, 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with *Corporations Act 2001* including: giving a true and fair view of Sandringham Community Financial Services Limited's financial position as at 31 December 2013 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

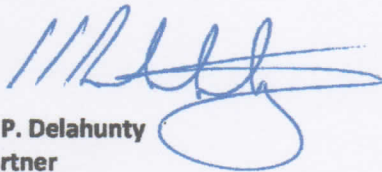
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written auditor's independence declaration, a copy which is included in the director's report.

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 2013 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



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

Dated: 6 March 2014