

Sandringham Community Financial Services Limited
ABN: 86 099 131 192

Financial Report

As at 31 December 2016

Directors' Report

Your directors submit the financial report of the Company for the half year ended 31 December 2016.

Directors

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

Graham Manson Ludecke
Michael John Davies
Glen Hay Kruger
Ian Richard Siebert
Felicity Thomlinson
Cindy Nora Jessica O'Donoghue
Amanda May Smyth
Caitlin Elizabeth Eves

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 and Adelaide Bank Limited.

Review and results of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period was \$13,732 (December 2015: net loss of \$21,267).

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.

Auditor's independence declaration

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 2 for the half year ended 31 December 2016.

The director's report is signed in accordance with a resolution of the Board of Directors on the 6 March 2017.



.....
Graham Ludecke
Director

Dated: 6 March 2017

**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 2016
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



Kathie Teasdale
Level 2, 10-16 Forest Street
Bendigo VIC 3550

Dated: 8 March 2017

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 2016

	31 Dec 2016 \$	31 Dec 2015 \$
Revenue	438,884	415,355
Expenses		
Employee benefits expense	210,763	236,582
Depreciation and amortisation	17,707	17,039
Marketing expenses	13,477	9,399
IT costs	23,090	23,446
Bad and doubtful debts expense	4	58
Rental expense	26,033	25,675
Rates (town/water/land tax)	7,939	8,790
Insurance expenses	6,586	6,567
Auditors remuneration	1,400	1,405
Other expenses	54,235	52,661
	<u>361,234</u>	<u>381,622</u>
Profit before charitable donations & sponsorships	<u>77,650</u>	<u>33,733</u>
Charitable donations and sponsorship	56,700	55,000
Profit/(loss) before income tax	<u>20,950</u>	<u>(21,267)</u>
Income tax expense	7,218	-
Profit / (loss) for the period	<u>13,732</u>	<u>(21,267)</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>13,732</u></u>	<u><u>(21,267)</u></u>
Profit/(loss) attributable to members of the company	13,732	(21,267)
Total comprehensive income attributable to members of the company	<u><u>13,732</u></u>	<u><u>(21,267)</u></u>
Earnings per share (cents per share)		
- basic earnings per share	2.25	(3.49)
- diluted earnings per share	2.25	(3.49)

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 2016

	31 Dec 2016 \$	30 Jun 2016 \$
ASSETS		
Current Assets		
Cash and cash equivalents	671,523	675,819
Trade and other receivables	89,749	88,399
Investments and Other financial assets	32,669	32,408
Current tax asset	28,022	451
Total Current Assets	821,963	797,077
Non-Current Assets		
Property, plant and equipment	53,409	64,595
Intangible assets	7,692	13,461
Deferred tax assets	21,155	22,873
Total Non-Current Assets	82,256	100,929
Total Assets	904,219	898,006
LIABILITIES		
Current Liabilities		
Trade and other payables	66,559	35,725
Provisions	76,270	83,758
Total Current Liabilities	142,829	119,483
Non-Current Liabilities		
Provisions	5,736	-
Total Non-Current Liabilities	5,736	-
Total Liabilities	148,565	119,483
Net Assets	755,654	778,523
Equity		
Issued capital	518,507	518,507
Retained earnings	237,147	260,016
Total Equity	755,654	778,523

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 2016**

	Note	Issued Capital \$	Retained earnings \$	Total Equity \$
Balance at 1 July 2015		518,507	280,819	799,326
Total comprehensive income for the period		-	(21,267)	(21,267)
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	5	-	(36,601)	(36,601)
Balance at 31 December 2015		<u>518,507</u>	<u>222,951</u>	<u>741,458</u>
Balance at 1 July 2016		518,507	260,016	778,523
Total comprehensive income for the period		-	13,732	13,732
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	5	-	(36,601)	(36,601)
Balance at 31 December 2016		<u>518,507</u>	<u>237,147</u>	<u>755,654</u>

The accompanying notes form part of these financial statements

Sandringham Community Financial Services Limited

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Statement of Cash Flows
for the half-year ended 31 December 2016

	31 Dec 2016 \$	31 Dec 2015 \$
Cash Flows From Operating Activities		
Receipts from customers	430,857	451,871
Payments to suppliers and employees	(371,145)	(428,804)
Interest received	6,417	8,414
Dividends received	261	245
Income tax paid	(33,071)	(9,590)
Net cash flows from operating activities	33,319	22,136
Cash Flows From Investing Activities		
Purchase of plant and equipment	(753)	-
Purchase of investments	(261)	(244)
Net cash flows used in investing activities	(1,014)	(244)
Cash Flows From Financing Activities		
Dividends paid	(36,601)	(36,601)
Net cash flows used in financing activities	(36,601)	(36,601)
Net increase / (decrease) in cash held	(4,296)	(14,709)
Cash and cash equivalents at beginning of period	675,819	686,388
Cash and cash equivalents at end of period	671,523	671,679

The accompanying notes form part of these financial statements

**Notes to the Financial Statements
for the half-year ended 31 December 2016**

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 2016 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 ("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 2016, together with any public announcements made during the following half-year.

(b) Accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the entity's last annual financial statements for the year ended 30 June 2016.

(c) Critical accounting estimates and judgements

The critical judgements, estimates and assumptions applied in the interim financial statements were the same as those applied in the entity's last annual financial statements for the year ended 30 June 2016.

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

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

2. Events after the End of the Interim Period

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

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 two geographic area being Melbourne, Victoria.

5. Dividends

	2016 \$	2015 \$
Dividends paid during the half year:		
Final fully franked dividend for the year ended 30 June 2016 of 6 cents (2015: 6 cents)	36,601	36,601

6. Earnings per share


Basic earnings per share (cents)	2.25	(3.49)
Earnings used in calculating basic and diluted earnings per share	13,732	(21,267)
Weighted average number of ordinary shares used in calculating basic earnings per share.	610,008	610,008

**Directors Declaration
for the half-year ended 31 December 2016**

In the opinion of the directors of Sandringham Community Financial Services Limited:

- (1) The financial statements and notes, as set out on pages 3 to 7 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 2016 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.



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Graham Ludecke
Director

Signed at Sandringham Community Financial Services on 6 March 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

To the directors 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 statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and the 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 the company 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 financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the company's financial position as at 31 December 2016 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 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 other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

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

- i. giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard *AASB 134 Interim Financial Reporting* and *Corporations Regulations 2001*.

Richmond Sinnott & Delahunty
Chartered Accountants



Kathie Teasdale
Partner

Dated: 8 March 2017