

Sandringham Community Financial Services Limited

ABN: 86 099 131 192

Interim Financial Report

For the Half-Year Ended 31 December 2017

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 2017.

Directors

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

Graham Manson Ludecke - Chairperson
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 Bank®** branch 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 \$12,324 (December 2016: \$13,732).

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.

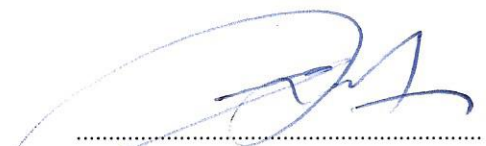
Significant changes in the state of affairs

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 2017.

The director's report is signed in accordance with a resolution of the Board of Directors at Sandringham Community Financial Services Limited on 26 February 2018.



.....
Graham Manson Ludecke - Chairperson
Director

Dated: 26 February 2018



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Bendigo, Victoria
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**Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors
Sandringham Community Financial Services Limited**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2017 there have been no contraventions of:

- (i) The auditor independence requirements 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.

RSD Audit

A handwritten signature in blue ink, appearing to be 'Kathie Teasdale', written over a circular stamp.

Kathie Teasdale
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 1 March 2018

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 2017

	Half-Year Ended 31 December 2017 \$	Half-Year Ended 31 December 2016 \$
Revenue	459,334	438,884
Expenses		
Employee benefits expense	(221,075)	(210,763)
Depreciation and amortisation	(18,057)	(17,707)
Marketing expenses	(16,370)	(13,477)
IT costs	(22,884)	(23,090)
Bad and doubtful debts expense	(252)	(4)
Rental expense	(30,000)	(26,033)
Rates (town/water/land tax)	(7,512)	(7,939)
Insurance expenses	(6,432)	(6,586)
Auditors remuneration	(1,500)	(1,400)
Other expenses	(54,455)	(54,235)
	<u>(378,537)</u>	<u>(361,234)</u>
Profit before charitable donations & sponsorship	<u>80,797</u>	<u>77,650</u>
Charitable sponsorship	(55,360)	(56,700)
Profit before income tax	<u>25,437</u>	<u>20,950</u>
Income tax benefit	(13,113)	(7,218)
Profit for the period	<u>12,324</u>	<u>13,732</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>12,324</u></u>	<u><u>13,732</u></u>
Profit attributable to members of the company	12,324	13,732
Total comprehensive income attributable to members of the company	<u><u>12,324</u></u>	<u><u>13,732</u></u>
Earnings per share (cents per share)		
- basic earnings per share	2.02	2.25

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 2017

	As at 31 December 2017 \$	As at 30 June 2017 \$
ASSETS		
Current Assets		
Cash and cash equivalents	733,687	717,725
Trade and other receivables	95,925	82,626
Investments and other financial assets	33,217	32,944
Current tax asset	-	2,785
Total Current Assets	862,829	836,080
Non-Current Assets		
Plant and equipment	30,211	41,942
Intangible assets	8,806	1,923
Deferred tax assets	25,082	23,848
Total Non-Current Assets	64,099	67,713
Total Assets	926,928	903,793
LIABILITIES		
Current Liabilities		
Trade and other payables	71,741	37,166
Provisions	83,783	80,445
Current tax payable	8,229	-
Total Current Liabilities	163,753	117,611
Non-Current Liabilities		
Provisions	8,064	6,794
Total Non-Current Liabilities	8,064	6,794
Total Liabilities	171,817	124,405
Net Assets	755,111	779,388
Equity		
Issued capital	518,507	518,507
Retained earnings	236,604	260,881
Total Equity	755,111	779,388

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 2017**

	Note	Issued Capital \$	Retained earnings \$	Total Equity \$
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	4	-	(36,601)	(36,601)
Balance at 31 December 2016		<u>518,507</u>	<u>237,147</u>	<u>755,654</u>
 Balance at 1 July 2017		 518,507	 260,881	 779,388
Total comprehensive income for the period		-	12,324	12,324
<i>Transactions with owners in their capacity as owners:</i>				
Dividends recognised for the period	4	-	(36,601)	(36,601)
Balance at 31 December 2017		<u>518,507</u>	<u>236,604</u>	<u>755,111</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 2017

	Half-Year Ended 31 December 2017 \$	Half-Year Ended 31 December 2016 \$
Cash Flows From Operating Activities		
Receipts from customers	438,662	430,857
Payments to suppliers and employees	(376,657)	(371,145)
Interest received	7,100	6,417
Dividends received	273	261
Income tax paid	(3,333)	(33,071)
Net cash flows provided by operating activities	66,045	33,319
Cash Flows From Investing Activities		
Purchase of plant and equipment	-	(753)
Purchase of intangible assets	(13,209)	-
Purchase of investments	(273)	(261)
Net cash flows used in investing activities	(13,482)	(1,014)
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	15,962	(4,296)
Cash and cash equivalents at beginning of period	717,725	675,819
Cash and cash equivalents at end of period	733,687	671,523

The accompanying notes form part of these financial statements

Sandringham Community Financial Services Limited
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Notes to the Financial Statements
for the half-year ended 31 December 2017

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 2017 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 2017, 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 2017.

(c) Critical accounting estimates and judgements

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2017.

(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 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.

Sandringham Community Financial Services Limited
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Notes to the Financial Statements
for the half-year ended 31 December 2017

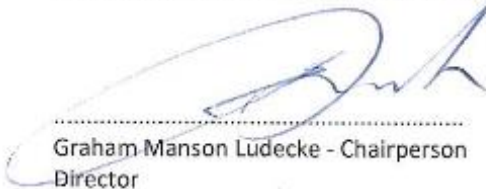
	2017 \$	2016 \$
4. Dividends		
A final fully franked dividend of 6 cents per share for the year ended 30 June 2017 was declared in the half year period to 31 December 2017 (2016: 6 cents)	(36,601)	(36,601)
5. Earnings per share		
Basic earnings per share (cents)	2.02	2.25
Earnings used in calculating basic earnings per share	12,324	13,732
Weighted average number of ordinary shares used in calculating basic earnings per share.	610,008	610,008

Sandringham Community Financial Services Limited
ABN 86 099 131 192
Directors Declaration
for the half-year ended 31 December 2017

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 3 to 8 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 2017 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 - Chairperson
Director

Signed at Sandringham Community Financial Services on 26 February 2018