SANDRINGHAM CAPITAL PTY LTD
A.B.N. 97 112 639 648

CONTENTS

SANDRINGHAM CAPITAL PTY LTD
A.B.N. 97 112 639 648

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 $	2008 $
Revenue	2	2,230,534	977,260
Other income	2	-	(114)
		2,230,534	977,146
Accountancy expenses		(5,670)	(7,500)
Administration expenses		(385,257)	(120,426)
Advertising expenses		(10,000)	-
Auditors' remuneration		(5,360)	-
Commissions paid		-	(2,095)
Depreciation and amortisation expenses		(5,172)	(3,422)
Distribution expenses		(303,948)	(221,162)
Employee benefits expenses		(535,193)	(309,562)
Finance costs		(3,551)	-
Freight and cartage		(10,463)	(306)
Legal fees		(125,295)	(58,219)
Occupancy expenses		(120,692)	(122,643)
Travelling expenses		(48,038)	(58,423)
Other expenses		(13,461)	(577)
Profit before income tax	3	658,434	72,811
Income tax expense	4	(204,803)	(22,471)
Profit after income tax		453,631	50,340
Retained earnings at the beginning of the financial year		353,640	303,300
Profit attributable to members of the company		807,271	353,640

The accompanying notes form part of these financial statements.

SANDRINGHAM CAPITAL PTY LTD
A.B.N. 97 112 639 648

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	2009 $	2008 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,135	5,066
Trade and other receivables	6	1,964,378	1,095,059
Financial assets	7	5,442	-
Other assets	8	6,241	25,766
TOTAL CURRENT ASSETS		1,978,196	1,125,891
NON-CURRENT ASSETS			
Property, plant and equipment	9	16,877	5,704
TOTAL NON-CURRENT ASSETS		16,877	5,704
TOTAL ASSETS		1,995,073	1,131,595
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	368,406	109,263
Current tax liabilities	11	169,392	18,688
TOTAL CURRENT LIABILITIES		537,798	127,951
TOTAL LIABILITIES		537,798	127,951
NET ASSETS		1,457,275	1,003,644
EQUITY			
Issued capital	12	650,004	650,004
Retained earnings (Accumulated losses)	13	807,271	353,640
TOTAL EQUITY		1,457,275	1,003,644

The accompanying notes form part of these financial statements.

1 Statement of Significant Accounting Policies

The director has prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the director has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid (recovered from) the relevant taxation authority.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent or director's valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

Financial Assets

Financial assets are brought to account at cost or director's valuation. Dividends and interest are brought to account when received.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009 $	2008 $
2 Revenue		
Operating activities		
Distributions received	354	41
Interest received	3,122	-
Consulting Fees	-	45,467
Investment Management Fees	2,227,011	931,752
Total operating revenue	2,230,487	977,260
Non-operating activities		
Unrealised Gain (Loss) on Investments	47	-
Capital Gain (Loss) on Sale of Non-current Assets	-	(114)
Other income	47	(114)
Total Revenue	2,230,534	977,146

3 Profit before Income Tax

	2009 $	2008 $
Expenses		
Depreciation of property, plant and equipment	5,172	3,422
Auditor's Remuneration	5,360	-

4 Income Tax Expense

	2009 $	2008 $
The components of tax expense comprise:		
Income Tax Expense	194,142	22,471
Underprovision for Income Tax, Last Year	10,661	-
	204,803	22,471
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit before income tax at 30% (2008: 30%):	197,530	21,843
Under provision for income tax	10,661	-
	208,191	21,843
Add tax effect of:		
Non deductible expenses	-	12,698
Increase in provisions	-	1,941
	208,191	36,482
Less tax effect of:		
Unrealised gains on revaluation of assets	14	-
Blackhole expenditure	3,374	3,350
Income tax expense attributable to company	204,803	33,132

		2009 $	2008 $
5	**Cash and Cash Equivalents**		
	Cash on Hand	4	4
	Cash at Bank	1,949	5,062
	Commsec Bank Account	182	-
		2,135	5,066
6	**Trade and Other Receivables**		
	Current		
	Trade Debtors	1,834,299	518,871
	Director's Loan	130,079	576,188
		1,964,378	1,095,059

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

		2009 $	2008 $
7	**Financial Assets**		
	Current		
	Units at Cost	5,442	-
8	**Other Current Assets**		
	Current		
	Rental Bond	5,666	6,933
	Prepayments	575	18,833
		6,241	25,766
9	**Property, Plant and Equipment**		
	Office Furniture & Equipment at Cost	29,206	12,861
	Less: Accumulated Depreciation	(12,329)	(7,157)
		16,877	5,704
	Total Plant and Equipment	16,877	5,704
	Total Property, Plant and Equipment	16,877	5,704
10	**Trade and Other Payables**		
	Current		
	Trade Creditors	98,276	44,391
	Mastercard Payable	8,408	3,375
	Payroll Accruals Payable	66,388	-
	GST Payable	195,334	61,497
		368,406	109,263

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009 $	2008 $

11 Tax

Liabilities

Current

	2009 $	2008 $
Income Tax Payable	169,392	18,688

12 Issued Capital

	2009 $	2008 $
8,500,000 Ordinary Shares	650,004	650,004

13 Retained Earnings

	2009 $	2008 $
Retained earnings at the beginning of the financial year	353,640	303,300
Net profit attributable to members of the company	453,631	50,340
Retained earnings at the end of the financial year	807,271	353,640

SANDRINGHAM CAPITAL PTY LTD
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DIRECTOR'S DECLARATION

The director has determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The director of the company declares that:

1. The financial statements and notes, as set out on pages 1 to 7 present fairly the company's financial position as at 30 June 2009 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

2. In the director's 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 director.

Director: ______________________________

Ian Steuart Roe

Dated this **day of**

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SANDRINGHAM CAPITAL PTY LTD
A.B.N. 97 112 639 648

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Sandringham Capital Pty Ltd which comprises the balance sheet as at 30 June 2009, and the income statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the director's declaration.

Director's Responsibility for the Financial Report

The director of the company is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the company's constitution and are appropriate to meet the needs of the members. The director's responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the director's financial reporting under the company's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SANDRINGHAM CAPITAL PTY LTD
A.B.N. 97 112 639 648

Auditors' Opinion

In our opinion, the financial report presents fairly, in all material aspects, the financial position of Sandringham Capital Pty Ltd as of 30 June 2009 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Name of Firm:	**MORTON WATSON & YOUNG** Chartered Accountants
Name of Partner:	______________________________ **GRAEME A. HALLAM, F.C.A.**
Address:	51 Robinson Street, Dandenong Vic 3175
Dated this	**day of**

SANDRINGHAM CAPITAL PTY LTD
A.B.N. 97 112 639 648

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	2009 $	2008 $
INCOME		
Consulting Fees	-	45,467
Investment Management Fees	2,227,011	931,752
	2,227,011	977,219
OTHER INCOME		
Trust Distributions	354	41
Interest Received	3,122	-
Unrealised Gain (Loss) on Investments	47	-
Capital Gain (Loss) on Sale of Non-current Assets	-	(114)
	3,523	(73)
	2,230,534	977,146
EXPENSES		
Accountancy Fees	5,670	7,500
Administration Costs	27,811	17,829
Advertising, Promotion & Sponsorship	10,000	-
Auditor's Remuneration		
Audit of Accounts	5,360	-
Bank Charges	1,304	1,001
Computer Expenses	6,200	785
Conference Expenses	-	2,095
Depreciation	5,172	3,422
Donations	2,212	-
Distribution Fees	303,948	221,162
Filing Fees	1,525	245
Freight & Cartage	10,463	306
General Expenses	-	577
Insurance	45,474	-
Interest Paid	3,551	-
Legal Costs	125,295	58,219
Motor Vehicle Expenses	1,163	1,803
Printing , Stationery & Postage	1,916	1,296
Professional Fees	11,010	-
Rent Paid	113,433	119,458
Subscriptions	116,613	99,270
Superannuation Contributions	56,515	33,969
Telephone	7,168	3,185
Travelling Expenses	46,875	56,620

The accompanying notes form part of these financial statements.

SANDRINGHAM CAPITAL PTY LTD
A.B.N. 97 112 639 648

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	2009 $	2008 $
Trust Administration Charges	173,404	-
Wages & Salaries	478,678	275,593
Waste Disposal	91	-
Prior Year Adjustment	11,249	-
	1,572,100	904,335
PROFIT (LOSS) BEFORE INCOME TAX	658,434	72,811

The accompanying notes form part of these financial statements.