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

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2007

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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 $	2006 $
Revenue		1,197,696	403,118
Other income		(1,248)	-
		1,196,448	403,118
Accountancy expenses		(1,200)	-
Depreciation and amortisation expenses		(3,571)	(164)
Employee benefits expenses		(217,242)	(150,848)
Other expenses		(547,107)	(236,516)
Profit (loss) before income tax		427,328	15,590
Income tax expense		(135,311)	(4,308)
Profit after income tax		292,017	11,282
Retained earnings at the beginning of the financial year		11,282	-
Profit attributable to members of the company		303,300	11,282

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BALANCE SHEET
AS AT 30 JUNE 2007

	Note	2007 $	2006 $
CURRENT ASSETS			
Cash and cash equivalents	**2**	16,125	35
Trade and other receivables	**3**	861,993	65,105
Financial assets	**4**	2,000	16,888
Other current assets	**5**	26,708	-
TOTAL CURRENT ASSETS		906,826	82,028
NON-CURRENT ASSETS			
Property, plant and equipment	**6**	9,126	5,078
TOTAL NON-CURRENT ASSETS		9,126	5,078
TOTAL ASSETS		915,952	87,106
CURRENT LIABILITIES			
Trade and other payables	**7**	478,993	71,515
Tax liabilities	**8**	133,656	4,308
TOTAL CURRENT LIABILITIES		612,648	75,823
TOTAL LIABILITIES		612,648	75,823
NET ASSETS		303,304	11,283
EQUITY			
Issued capital	**9**	4	1
Retained earnings	**10**	303,300	11,282
TOTAL EQUITY		303,304	11,283

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation
report of MORTON WATSON & YOUNG Chartered Accountants.

1 Statement of Significant Accounting Policies

This financial report has been prepared for use by the director and members of the company and is a special purpose financial report. The director has determined that the company is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 110:	Events after the Balance Sheet Date
AASB 1031:	Materiality

No other applicable Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs modified by the revaluation of financial assets, financial liabilities and selected non-current assets for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the company in the preparation of this report. Unless otherwise stated, the accounting policies are consistent with the previous period.

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.

Financial Assets

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

		2007 $	2006 $
2	**Cash and Cash Equivalents**		
	Current		
	Cash on Hand	4	1
	Cash at Bank	16,121	34
		16,125	35
3	**Trade and Other Receivables**		
	Current		
	Sundry Debtors	-	590
	Trade Debtors	861,993	64,515
		861,993	65,105
4	**Financial Assets**		
	Current		
	Units at Cost	2,000	16,888
5	**Other Current Assets**		
	Current		
	Rental Bond	12,755	-
	Prepayments	13,953	-
		26,708	-
6	**Property, Plant and Equipment**		
	Office Furniture & Equipment at Cost	12,861	5,242
	Less: Accumulated Depreciation	(3,735)	(164)
		9,126	5,078
	Total Plant and Equipment	9,126	5,078
	Total Property, Plant and Equipment	9,126	5,078

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

		2007 $	2006 $
7	**Trade and Other Payables**		
	Current		
	Trade Creditors	237,102	22,233
	Mastercard Payable	334	353
	Payroll Accruals Payable	84,674	-
	PAYG Withholding Payable	33,399	40,551
	GST Paid on Purchases	(7,419)	(5,474)
	GST Collected on Sales	70,721	13,752
	Director's Loan	60,182	100
		478,993	71,515
8	**Tax**		
	Liabilities		
	Current		
	Income Tax Payable	133,656	4,308
9	**Issued Capital**		
	8,500,000 Ordinary Shares	4	1
10	**Retained Earnings**		
	Retained earnings at the beginning of the financial year	11,282	-
	Net profit attributable to members of the company	292,017	11,282
	Retained earnings at the end of the financial year	303,300	11,282

These notes are to be read in conjunction with the attached compilation report.

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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 present fairly the company's financial position as at 30 June 2007 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**

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

Scope

On the basis of information provided by the director of Sandringham Capital Pty Ltd, we have compiled in accordance with APS 9: Statement on Compilation of Financial Reports the special purpose financial report of Sandringham Capital Pty Ltd for the year ended 30 June 2007.

The specific purpose for which the special purpose financial report has been prepared is set out in Note 1. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The director is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of Sandringham Capital Pty Ltd's constitution and are appropriate to meet the needs of the director and members of the company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the director provided, into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the director and members of Sandringham Capital Pty Ltd and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

MORTON WATSON & YOUNG
Chartered Accountants

51 Robinson Street, Dandenong Vic 3175

Dated ____________________

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PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	2007 $	2006 $
INCOME		
Consulting Fees	80,000	167,527
Investment Management Fees	1,117,452	235,001
	1,197,452	402,528
OTHER INCOME		
Trust Distributions	244	590
Capital Gain (Loss) on Sale of Non-current Assets	(1,248)	-
	(1,004)	590
	1,196,448	403,118
EXPENSES		
Accountancy Fees	1,200	-
Administration Costs	19,778	13,598
Bank Charges	406	184
Computer Expenses	4,650	3,138
Depreciation	3,571	164
Distribution Fees	304,735	146,084
Fees	74,796	47,440
Filing Fees	482	664
General Expenses	568	321
Legal Costs	3,488	8,802
Motor Vehicle Expenses	3,778	1,076
Printing , Stationery & Postage	923	6,051
Professional Fees	2,645	-
Rent Paid	64,243	-
Subscriptions	46,701	48
Superannuation Contributions	29,268	2,330
Telephone	266	1,620
Travelling Expenses	19,647	7,492
Wages & Salaries	187,974	148,518
	769,120	387,528
PROFIT (LOSS) BEFORE INCOME TAX	427,328	15,590

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report of MORTON WATSON & YOUNG Chartered Accountants.