

ASIC registered agent number

lodging party or agent name

office, level, building name or PO Box no.

street number & name

suburb/city

state/territory

postcode

telephone ()

facsimile ()

DX number

suburb/city

ASS.	<input type="checkbox"/>	REQ-A	<input type="checkbox"/>
CASH.	<input type="checkbox"/>	REQ-P	<input type="checkbox"/>
PROC.	<input type="checkbox"/>		<input type="checkbox"/>



Australian Securities & Investments Commission

notification of

• Half Yearly Reports

(to be lodged within 75 days of the end of the accounting period)

form **7051**

(ASX Form 1001)
Corporations Act 2001
285(2), 286(1), 320

Disclosing entity

Please complete A, B or C.

A a company

name SAN REMO DISTRICT FINANCIAL SERVICES LTD
A.C.N. 102 770 150

B a body (other than a company)

name _____
A.R.B.N. (if applicable) _____

C a registered scheme

name _____
A.R.S.N. _____

Financial period

from 01/07/2005 to 31/12/2005

Certification

I certify that the attached documents comprise the half yearly reports together with every other document that is required to be lodged with the reports by a disclosing entity under the Corporations Act 2001.

Signature

This form is to be signed by:

- if a company or a body a director or secretary or the equivalent
- if a registered scheme a director or secretary of the responsible entity acting in that capacity

name of responsible entity S R D F S
A.C.N. 102 770 150
name of person signing (print) TENENCE S ASHENDON capacity DIRECTOR

sign here [Signature] date 10/04/2006

Small Business (less than 20 employees), please provide an estimate of the time taken to complete this form

Include

- The time actually spent reading the instructions, working on the question and obtaining the information
- The time spent by all employees in collecting and providing this information

hrs mins

HALF YEARLY REPORTS

Richmond Sinnott & Delahunty
Chartered Accountants



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Bendigo, 3552
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Email: rsd@rsdadvisors.com.au
ABN 60 616 244 309

30 March 2006

The Directors
San Remo District Financial Services Limited
PO Box 101
San Remo VIC 3925

Dear Directors

Auditor's Independence Declaration

In relation to our audit of the financial report of San Remo District Financial Services Limited for the half year ended 31 December 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty

13/4/06
1 of 14



Independent Review Report

To the members of San Remo District Financial Services Ltd

Scope

The financial report comprises the condensed income statement, condensed balance sheet, condensed cash flow statement, condensed statement of changes in equity, accompanying notes to the financial statements and the directors' declaration for San Remo District Financial Services Ltd for the half-year ended 31 December 2005.

The company's directors are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for accounting policies and accounting estimates inherent in the financial report.

Review Approach

We conducted an independent review of the half year financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the half year financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis or procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position and of their performance as represented by the results of their operations and their cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than that given in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Handwritten signature
2/7/14

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Review Statement

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 interim financial report of San Remo District Financial Services Ltd is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2005 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; and
- (b) other mandatory professional reporting requirements.

Richmond Sinnott & Delahunty
Richmond Sinnott & Delahunty
Chartered Accountants

Warren Sinnott

Warren Sinnott
Partner

Signed at Bendigo on 30 March 2006

San Remo District Financial Services Limited
ABN 20 102 770 150
Directors' Report

Your Directors submit their report of the company for the half year ended 31 December 2005.

Directors

The names of directors who held office during the half year and until the date of this report are:

Terry Ashenden (Chairman)

Bruce Adams

Joan Matthews

Miranda Sage

Norma Stack-Robinson

Caroline Talbot

Janice Rowlingson

Bruce Proctor (appointed 24th October 2005)

Doug Wain (resigned 30th August 2005)

Glenda Legg (resigned 29th November 2005)

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 in providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

Review and results of operations

Operations have continued to perform in line with expectations. The net loss of the company for the financial period was \$19,753 (2004: \$37,249).

Matters subsequent to the end of the reporting period

San Remo District Financial Services Ltd listed on the Bendigo Stock Exchange on 18 January 2006.

There are no other 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.

San Remo District Financial Services Limited
ABN 20 102 770 150
Condensed Income Statement
for the half-year ended 31 December 2005

	2005	2004
	\$	\$
Revenue from ordinary activities	181,484	133,005
Other revenue	4,269	4,236
Salaries and employee benefit expense	(92,841)	(86,852)
Depreciation and amortisation expense	(24,740)	(26,420)
Other expenses from ordinary activities	<u>(92,479)</u>	<u>(74,611)</u>
Loss from ordinary activities before income tax expense	(24,307)	(50,642)
Income tax benefit relating to ordinary activities	<u>(4,554)</u>	<u>(13,393)</u>
Loss attributable to members of the entity	<u>(19,753)</u>	<u>(37,249)</u>
Total changes in equity other than those resulting from transactions with owners as owners	<u>(19,753)</u>	<u>(37,249)</u>
Earnings per share (cents per share)		
- basic for profit/(loss) for the half year	(3.04)	(5.73)
- diluted for profit/(loss) for the half year	(3.04)	(5.73)
- dividends paid per share	5 -	-

San Remo District Financial Services Limited
ABN 20 102 770 150
Condensed Balance Sheet
as at 31 December 2005

	31-Dec 2005 \$	30-Jun 2005 \$
Current Assets		
Cash assets	170,118	175,453
Receivables	34,157	24,539
Prepayments	11,965	12,000
Total Current Assets	<u>216,240</u>	<u>211,992</u>
Non-Current Assets		
Property, plant and equipment	156,644	166,280
Deferred income tax asset	67,814	63,260
Intangibles	75,523	90,627
Total Non-Current Assets	<u>299,981</u>	<u>320,167</u>
Total Assets	<u>516,221</u>	<u>532,159</u>
Current Liabilities		
Payables	24,878	21,188
Interest bearing liabilities	5,870	4,899
Provisions	14,122	11,374
Total Current Liabilities	<u>44,870</u>	<u>37,461</u>
Non-Current Liabilities		
Interest bearing liabilities	12,711	16,305
Total Non-Current Liabilities	<u>12,711</u>	<u>16,305</u>
Total Liabilities	<u>57,581</u>	<u>53,766</u>
Net Assets	<u>458,640</u>	<u>478,393</u>
Equity		
Issued capital	650,000	650,000
Accumulated losses	<u>(191,360)</u>	<u>(171,607)</u>
Total Equity	<u>458,640</u>	<u>478,393</u>

6/14

San Remo District Financial Services Limited
ABN 20 102 770 150
Condensed Cash Flow Statement
for the half-year ended 31 December 2005

	2005	2004
	\$	\$
Cash Flows From Operating Activities		
Cash receipts in the course of operations	187,302	127,724
Cash payments in the course of operations	(194,283)	(169,299)
Interest received	4,269	4,236
Borrowing Costs	<u>-</u>	<u>(901)</u>
Net cash flows used in operating activities	(2,712)	(38,240)
Cash Flows From Financing Activities		
Repayment of borrowings	<u>(2,623)</u>	<u>(2,036)</u>
Net cash flows used in financing activities	<u>(2,623)</u>	<u>(2,036)</u>
Net decrease in cash held	(5,335)	(40,276)
Opening cash brought forward	<u>175,453</u>	<u>212,719</u>
Closing cash carried forward	<u><u>170,118</u></u>	<u><u>172,443</u></u>

San Remo District Financial Services Limited
ABN 20 102 770 150
Condensed Statement of Changes in Equity
for the half-year ended 31 December 2005

	Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2004	650,000	(117,871)	532,129
Net loss for the period	-	(37,249)	(37,249)
Issue of share capital	-	-	-
Equity dividends	-	-	-
As at 31 December 2004	<u>650,000</u>	<u>(155,120)</u>	<u>494,880</u>

	Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2005	650,000	(171,607)	478,393
Net loss for the period	-	(19,753)	(19,753)
Issue of share capital	-	-	-
Equity dividends	-	-	-
As at 31 December 2005	<u>650,000</u>	<u>(191,360)</u>	<u>458,640</u>

1. Basis of preparation of the Half-Year Financial Report

(a) Basis of accounting

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of San Remo District Financial Services Limited as at 30 June 2005, which was prepared based on Australian Accounting Standards applicable before 1 January 2005 ('AGAAP'). It is also recommended that this half year financial report be considered together with any public announcements made by San Remo District Financial Services Limited during the half year ended 31 December 2005 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

For the purpose of preparing the half year financial statements the half year has been treated as a discrete reporting period.

(b) Statement of compliance

The half year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the half year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first half year financial report based on AIFRS and comparatives for the half year ended 31 December 2004 and full year ended 30 June 2005 have been restated accordingly. Other than detailed at 1(c) below, the accounting policies have been consistently applied and are consistent with those applied in the 30 June 2005 financial statements.

Reconciliations of:

- AIFRS equity as at 1 July 2004, 31 December 2004 and 30 June 2005; and
- AIFRS profit for the half year ended 31 December 2004 and full year ended 30 June 2005, to the balances reported in the 31 December 2004 half year report and 30 June 2005 full year financial report prepared under AGAAP are detailed in note 1(d) below.

(c) Summary of significant accounting policies

Other than detailed below, the accounting policies have been consistently applied and are consistent with those applied in the 30 June 2005 financial statements.

The following accounting policies are different to those used in the 30 June 2005 financial report due to the first time adoption of AIFRS.

San Remo District Financial Services Limited
ABN 20 102 770 150
Notes to the Financial Statements
for the half-year ended 31 December 2005

1. Basis of preparation of the Half-Year Financial Report (continued)

Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	10-27%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

San Remo District Financial Services Limited
ABN 20 102 770 150
Notes to the Financial Statements
for the half-year ended 31 December 2005

1. Basis of preparation of the Half-Year Financial Report (continued)

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve is made to retained earnings for the depreciation relating to the revaluation surplus.

Recoverable amount of assets

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(d) Impact of adoption of AIFRS

The impacts of adopting AIFRS on the total equity and profit after tax as reported under AGAAP are illustrated below:

Reconciliation of total equity as presented under AGAAP to that under AIFRS

	30-Jun 2005 \$	31-Dec 2004 \$	1-Jul 2004 \$
Total equity under AGAAP	415,133	436,113	486,755
Recognition of deferred income tax asset (#)	63,260	58,767	45,374
Total equity under AIFRS	<u>478,393</u>	<u>494,880</u>	<u>532,129</u>

The above adjustment to equity will be reflected in retained earnings.

A deferred income tax asset was not recognised under AGAAP as realisation of the asset was required to be virtually certain. Under AIFRS the test is probable and as such the asset has been recognised.

11/14

San Remo District Financial Services Limited
ABN 20 102 770 150
Notes to the Financial Statements
for the half-year ended 31 December 2005

1. Basis of preparation of the Half-Year Financial Report (continued)

Reconciliation of profit after tax presented under AGAAP to that under AIFRS

	Year Ended 30-Jun 2005 \$	Half-year Ended 31-Dec 2004 \$
Loss after tax as previously reported (AGAAP)	(71,622)	(50,642)
Adjustment to income tax expense/(benefit) (#)	17,886	(13,393)
Loss after tax under AIFRS	<u>(53,736)</u>	<u>(64,035)</u>

A deferred income tax asset was not recognised under AGAAP as realisation of the asset was required to be virtually certain. Under AIFRS the test is probable and as such the asset has been recognised. The above reflects the impact on tax expense/(benefit) due to the recognition of this asset.

Explanation of material adjustments to the cash flow statement

There are no material differences between the cash flow statements presented under AIFRS and those presented under AGAAP.

2. Events subsequent to Reporting Date

San Remo District Financial Services Ltd listed on the Bendigo Stock Exchange on 18 January 2006.

There have been no other 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 San Remo and Phillip Island.

5. Dividends Paid

	2005 \$	2004 \$
<i>Dividends paid during the half year</i>		
Final franked dividend for the year ended 30 June 2005	-	-

12/14

San Remo District Financial Services Limited
ABN 20 102 770 150
Notes to the Financial Statements
for the half-year ended 31 December 2005

6. Director and Related Party Disclosures

The names of directors who have held office during the half year ended 31 December 2005 are:

Terry Ashenden (Chairman)
Bruce Adams
Joan Matthews
Miranda Sage
Norma Stack-Robinson
Caroline Talbot
Janice Rowlingson
Bruce Proctor (appointed 24th October 2005)
Doug Wain (resigned 30th August 2005)
Glenda Legg (resigned 29th November 2005)

Park Accomodation (Vic) Pty Ltd, of which Joan Matthews is a director received \$11,000 (2004: \$9,000) for the lease of the banks premises situated at 103a Marine Parade Parade, San Remo.

No director's fees have been paid as the positions are held on a voluntary basis.

Directors shareholdings	<u>2005</u>	<u>2004</u>
Terry Ashenden (Chairman)	5,000	5,000
Bruce Adams	1,000	1,000
Joan Matthews	8,000	8,000
Miranda Sage	5,000	5,000
Norma Stack-Robinson	5,000	5,000
Caroline Talbot	2,000	2,000
Janice Rowlingson	5,000	5,000
Bruce Proctor (appointed 24th October 2005)	-	-
Doug Wain (resigned 30th August 2005)	1,000	1,000
Glenda Legg (resigned 29th November 2005)	1,000	1,000

There was no movement in directors shareholdings during the period. Each share held has a paid up value of \$1 and is fully paid.

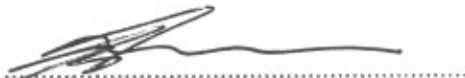
San Remo District Financial Services Limited
ABN 20 102 770 150
Directors Declaration
for the half-year ended 31 December 2005

In accordance with a resolution of the directors of San Remo District Financial Services Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company:
 - (i) give a true and fair view of the company's financial position as at 31 December 2005 and its performance for the half-year ended on that date; and
 - (ii) comply with Accounting Standard AASB 134, "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Terry Ashenden, Director

Signed in San Remo on this 30th day of March 2006