



**Bendigo** Wealth

# Sandhurst Cash Common Fund

**Annual Report 2011**

ARSN 090 908 400

Issued by **Sandhurst Trustees**

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# Directors' report

## Report of the Directors of the Responsible Entity

The directors of Sandhurst Trustees Limited (ABN 16 004 030 737), the 'Responsible Entity', present this report on the Sandhurst Cash Common Fund (the Fund) for the year ended 30 September 2011.

## Managed investment scheme

The Fund is a managed investment scheme registered by the Australian Securities and Investments Commission in accordance with the Corporations Act 2001. The Fund issued its first offer document on 26 November 1987.

## Directors

The name of each person who has been a director of Sandhurst Trustees Limited, during the financial year and to the date of this report are:

Jennifer L Dawson (Chairman)

Ian G Mansbridge

Marnie A Baker

John A Billington

Jennifer Dawson and Ian Mansbridge are non-executive directors, Jennifer Dawson is also a non-executive director of Bendigo and Adelaide Bank Limited, of which Sandhurst Trustees Limited is a wholly owned subsidiary company. Marnie Baker and John Billington are employed and paid as executives or senior management of Bendigo and Adelaide Bank Limited. Complementing the board is an independent compliance committee, responsible for ensuring that the activities of the Responsible Entity in relation to the Fund comply with obligations imposed by specified legislation and associated policies promulgated by government agencies.

## Net operating income

The net profit attributable to investors for the year ended 30 September 2011 was \$11,647,132 (2010: \$7,453,757).

## Indirect Cost Ratio

The Indirect Cost Ratio (ICR) is the ratio of the Fund's management costs over the Fund's average net assets attributable for the year, expressed as a percentage.

Management costs include management fees and other expenses or reimbursements deducted in relation to the Fund, but do not include interest expense and transactional costs such as brokerage.

The ICR for the Fund for the year ended 30 September 2011 was 1.01% (2010: 1.02%).

## Significant changes in state of affairs

No significant changes in the Fund's state of affairs occurred during the year.

## Principal activity

The principal activity of the Fund during the year was to provide a professional money market style investment with the combination of competitive rates when compared to traditional 'at call' style bank accounts, high capital stability and access to funds at call.

No significant change in the nature of this activity occurred during the year.

## After balance date events

No matters or circumstances have arisen since the end of the year that significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in subsequent financial years.

## Future developments

The Fund intends to continue to invest in accordance with its investment strategy.

## Distributions

During the year ended 30 September 2011 \$11,647,132 was distributed to investors as interest income.

## Options

No options over interests in the Fund were granted during or since the end of the year and there were no options outstanding at the date of this report.

## Indemnities and insurance premiums for officers or auditors

The Constitution of the Responsible Entity requires it to indemnify all current and former officers of the Responsible Entity (but not including auditors) out of the property of the Responsible Entity, against any liability incurred by the officer in or arising out of the conduct of the business of the Responsible Entity or in or arising out of the discharge of the duties of the officer, unless the liability was incurred by the officer through his or her own dishonesty, negligence, lack of good faith or breach of duty.

The Responsible Entity is indemnified from the assets of the Fund for any loss or liability incurred by it in the management and administration of the Fund.

The Fund has not directly indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an auditor of the Fund.

During the financial year the Responsible Entity paid a premium under a contract insuring each director of the Responsible Entity against liability and legal expenses incurred in their respective capacities. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been directors of the Responsible Entity or executive officers of the Responsible Entity.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Responsible Entity has not provided any insurance to a related body corporate or to an auditor of the Responsible Entity.

## Proceedings on behalf of the Fund

No person has applied for leave of court to bring proceedings on behalf of the Fund or intervene in any proceedings to which the Fund is a party for the purpose of taking responsibility on behalf of the Fund for all or any part of those proceedings.

The Fund was not a party to any such proceedings during the year.

## Environmental regulation and expected results

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

## Rounding

The amounts contained in the Financial Report and the directors' report have been rounded off under the option under ASIC Class Order 98/100. The Fund is an entity to which the Class Order applies, and in accordance with that Class Order, amounts in the Financial Report have been rounded to the nearest thousand dollars.

## Other information

During the year ended 30 September 2011 the total assets of the Fund increased by \$86,229,707 to \$323,721,912.

For details of any interests the Responsible Entity and its associates may hold in the Fund, refer to Note 14 – Related party disclosures of the Notes to the Financial Statements.

Fees paid to the Responsible Entity and its associates during the year were \$2,796,010 (2010: \$2,123,809).

Signed in accordance with a resolution of the board of directors.



**Jennifer L Dawson**

Director

Bendigo

24 November 2011

## Auditor independence declaration

The directors received the following declaration from the auditor of the Fund:

Auditor's Independence Declaration to the directors of Sandhurst Trustees Limited, as Responsible Entity for the Fund

In relation to our audit of the Financial Report of the Fund for the year ended 30 September 2011, to the best of my knowledge and belief, there have been no contraventions of the auditors' independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



**Warren Sinnott**

Partner

Richmond Sinnott & Delahunty

24 November 2011

# Statement of Comprehensive Income

## Sandhurst Cash Common Fund

For the year ended 30 September 2011

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues from ordinary activities</b>		
Interest revenue		
Bank accepted bills	1,050	62
Negotiable certificates of deposit	13,086	8,888
Other interest bearing deposits	357	674
Other revenues from ordinary activities	12	12
	<b>14,505</b>	<b>9,636</b>
<b>Expenses from ordinary activities</b>		
Trustee management fee	2,795	2,123
Annual report costs	3	3
Product disclosure statement costs	12	12
Legal fees	6	6
Audit and accounting fees	15	12
Other expenses from ordinary activities	27	26
	<b>2,858</b>	<b>2,182</b>
<b>Net profit attributable to investors</b>	<b>11,647</b>	<b>7,454</b>
Interest paid/payable	11,647	7,454
<b>Change in net assets attributable to investors</b>	<b>-</b>	<b>-</b>

The accompanying notes form part of these accounts.

# Statement of Financial Position

## Sandhurst Cash Common Fund As at 30 September 2011

	Note	2011 \$'000	2010 \$'000
<b>Current assets</b>			
Cash assets	2	5,400	6,365
Receivables	3	45	44
Investments	4		
Held to Maturity		318,277	231,083
<b>Total current assets</b>		<b>323,722</b>	<b>237,492</b>
<b>Total assets</b>		<b>323,722</b>	<b>237,492</b>
<b>Current liabilities</b>			
Payables	5	129	104
<b>Total current liabilities</b>		<b>129</b>	<b>104</b>
<b>Total liabilities excluding net assets attributable to investors</b>		<b>129</b>	<b>104</b>
<b>Net Assets</b>		<b>323,593</b>	<b>237,388</b>
<b>Net assets attributable to investors</b>			
Investors' funds	6	320,366	235,108
Investors' accrued interest	6	3,227	2,280
<b>Total net assets attributable to investors</b>		<b>323,593</b>	<b>237,388</b>

The accompanying notes form part of these accounts.

# Statement of Changes in Net Assets Attributable to Investors

## Sandhurst Cash Common Fund For the year ended 30 September 2011

	<b>2011 \$'000</b>	<b>2010 \$'000</b>
<b>Opening balance</b>	237,388	209,642
Contributions	970,798	612,574
Interest earned	11,647	7,454
Redemptions	(885,540)	(585,814)
Interest paid	(10,700)	(6,468)
<b>Closing balance</b>	<b>323,593</b>	<b>237,388</b>

The accompanying notes form part of these accounts.

# Statement of Cash Flows

## Sandhurst Cash Common Fund For the year ended 30 September 2011

	Note	2011 \$'000	2010 \$'000
<b>Cash flows from operating activities</b>			
Interest received		14,498	9,667
Interest paid		(10,700)	(6,468)
Trustee management fee		(2,801)	(2,124)
Other revenue		12	12
Other expenses		(38)	(27)
<b>Net cash provided by / (used in) operating activities</b>	<b>7(c)</b>	<b>971</b>	<b>1,060</b>
<b>Cash flows from investing activities</b>			
(Purchases) and sales of investment securities		(87,194)	(46,492)
<b>Net cash provided by / (used in) investing activities</b>		<b>(87,194)</b>	<b>(46,492)</b>
<b>Cash flows from financing activities</b>			
Net increase in investors' funds		85,258	26,760
<b>Net cash provided by / (used in) financing activities</b>		<b>85,258</b>	<b>26,760</b>
<b>Net increase / (decrease) in cash held</b>		<b>(965)</b>	<b>(18,672)</b>
Cash at the beginning of the financial year		6,365	25,037
<b>Cash at the end of the financial year</b>	<b>7(a)</b>	<b>5,400</b>	<b>6,365</b>

The accompanying notes form part of these accounts.

# Notes to the Financial Statements

## Sandhurst Cash Common Fund For the year ended 30 September 2011

### 1. Statement of accounting policies

#### (a) Basis of preparation of the financial report

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial report has been prepared on the basis of historical costs, except for the valuation of investments in financial assets, which have been measured at fair value or amortised cost.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Fund under ASIC Class Order 98/100. The Fund is an entity to which the Class Order applies.

The financial report was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 24 November 2011.

#### (b) Statement of Compliance

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

### (c) Valuation of investments

All Negotiable certificates of deposit (NCDs) and Bank accepted bills (BABs) held by the Fund are classified as “held to maturity” investments. These investments are initially recorded at fair value on recognition and are then measured at amortised cost using the effective interest method, with interest and impairment costs being recognised in the Statement of Comprehensive Income. These investments are not classified as “available for sale” investments as sufficient funds are held on 11am account to meet day-to-day financing needs, therefore no NCDs or BABs are sold prior to maturity.

### (d) Income and expenditure

Income from investments is brought to account on a daily accrual basis. Expenses are also brought to account on a daily accrual basis.

### (e) Income tax

Under the current Income Tax legislation the Fund is not liable to Income Tax, as all income is distributable to investors. The new Legislation Taxation of Financial Arrangements (TOFA) has been implemented effective 1 July 2010. The regime aims to align the tax and accounting treatment of financial arrangements. The Fund made a transitional election to bring pre-existing arrangements into TOFA.

### (f) Application of Accounting Standards

Australian Accounting Standards and Urgent Issues Group Interpretations that have been recently issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 September 2011.

## 2. Cash assets

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank	218	503
11AM call deposits	2,784	5,249
Treasury settlement account	2,398	613
	<b>5,400</b>	<b>6,365</b>

Deposit taking and investing facilities for the Fund are supplied by Bendigo and Adelaide Bank Limited, the parent entity of the Responsible Entity. The net position of all Fund transactions undertaken by Bendigo and Adelaide Bank Limited is settled daily in arrears via the treasury settlement account.

## 3. Receivables

Sundry debtors and accrued interest	<b>45</b>	<b>44</b>
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Terms and conditions - all receivables are non-interest bearing. Sundry debtors and accrued interest generally have payment terms of between 30 and 90 days.

## 4. Investments

Held to Maturity		
Bank accepted bills	34,829	15,430
Negotiable certificates of deposit	283,448	215,653
	<b>318,277</b>	<b>231,083</b>

	<b>2011</b> <b>\$'000</b>	<b>2010</b> <b>\$'000</b>
<b>Maturity analysis - investment securities</b>		
At call	-	-
Not longer than 3 months	264,151	211,358
Longer than 3 months and not longer than 12 months	54,126	19,725
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	<b>318,277</b>	<b>231,083</b>

## 5. Payables

Sundry creditors and accrued expenses	<b>129</b>	<b>104</b>
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Terms and conditions - all payables are non-interest bearing. Trade creditors and accrued expenses are normally settled on commercial 30 day terms.

## 6. Net assets attributable to investors

Movements in net assets attributable to investors during the year were as follows:

(a) Units on issue		
Opening balance	235,108	208,348
Contributions	970,798	612,574
Redemptions	(885,540)	(585,814)
<b>Closing balance</b>	<b>320,366</b>	<b>235,108</b>

All units in the Fund are valued at \$1.

## 6. Net assets attributable to investors (cont.)

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
(b) Investors' accrued interest		
Opening balance	2,280	1,294
Interest earned	11,647	7,454
Interest paid	(10,700)	(6,468)
<b>Closing balance</b>	<b>3,227</b>	<b>2,280</b>

## 7. Notes to the Statement of Cash Flows

### (a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and "at call" deposits with other financial institutions. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at bank	218	503
11AM call deposits	2,784	5,249
Treasury settlement account	2,398	613
	<b>5,400</b>	<b>6,365</b>

### (b) Cash flows presented on a net basis

Cash flows arising from the following activities are presented on a net basis in the Statement of Cash Flows:

- (i) customer deposits in and withdrawals from the Fund;
- (ii) sales and purchases of dealing securities; and
- (iii) sales and purchases of maturing certificates of deposit.

(c) Reconciliation of changes in net assets attributable to investors to net cash provided by operating activities

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Changes in net assets attributable to investors</b>	-	-
(Increase) / decrease in receivables	(1)	31
Increase in investors' accrued interest	947	986
Increase in payables	25	43
<b>Net cash provided by / (used in) operating activities</b>	<b>971</b>	<b>1,060</b>

(d) Non-cash financing and investing activities

During the financial year no non-cash financing and investing activities occurred.

## 8. Financial risk management

Risks arising from holding financial instruments are inherent in the Funds activities and are managed through a process of ongoing identification, measurement and monitoring. The Fund has exposure to credit risk, liquidity risk and market risk from its use of financial instruments.

This note presents information about the Funds exposure to each of these risks, its objectives, policies and processes for measuring and managing risk.

Financial instruments of the Fund comprise investments in financial assets for the purpose of generating a return on the investment made by investors, in addition to cash assets and net assets attributable to investors.

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments.

## 8. Financial risk management (cont.)

### (a) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and Notes to the Financial Statements. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

The Funds exposure to credit risk is limited to Australia by geographic area. The Fund only invests in investment grade credit rated securities or above. The Fund does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Fund.

Credit risk is not considered to be significant to the Fund. Concentration of credit risk is minimised by ensuring all counterparties are approved, credit limits are approved and adhered to, and ensuring that transactions are undertaken with a number of counterparties. As at 30 September 2011, the Fund had \$86,189,600 (2010: \$77,725,071) on deposit with the Bendigo and Adelaide Bank on normal commercial terms and conditions.

None of the assets of the Fund are past due (2010:\$Nil past due) and based on historic default rates, the Responsible Entity believes that no impairment allowance is necessary in respect of assets not past due.

### (b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund does not invest in securities that have a maturity of more than 200 days. As the Fund is invested in short-dated liquid assets, liquidity risk is not considered to be significant to the Fund.

### **(i) Maturity analysis for financial liabilities**

Financial liabilities of the Fund comprise sundry creditors and accrued expenses and net assets attributable to investors.

All sundry creditors and accrued expenses have no contractual maturities but are normally settled on commercial 30 day terms.

Net assets attributable to investors are entirely payable on demand.

### **(c) Market risk**

Market risk is the risk that market prices, such as interest rates, will affect the Funds income or its holdings of financial instruments. Market risk relates to the performance of the market as a whole impacting on the Funds investment returns. Factors that can influence the market include economic, technological, political, taxation and legal conditions and even market sentiment. Changes in such conditions can affect the value of fixed interest securities, which in turn may impact the value and return of the Fund.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters. The Responsible Entity attempts to minimise market risk ensuring the investment portfolio is well diversified and managed within designated parameters.

## 8. Financial risk management (cont.)

### (i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

At the reporting date the interest rate profile of the Funds interest bearing financial instruments was:

	<b>2011</b> <b>\$'000</b>	<b>2010</b> <b>\$'000</b>
<b>Fixed rate instruments</b>		
Financial assets	318,277	231,083
Financial liabilities	-	-
<b>Net fixed rate instruments</b>	<b>318,277</b>	<b>231,083</b>
<b>Variable rate instruments</b>		
Financial assets	5,400	6,365
Financial liabilities	(320,366)	(235,108)
<b>Net variable rate instruments</b>	<b>(314,966)</b>	<b>(228,743)</b>

### (ii) Interest rate sensitivity analysis

A reasonably possible change (assumed to be 100 basis points) in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2010.

	Profit or loss \$'000	Equity \$'000
<b>30 September 2011</b>		
100 basis points increase	(431)	(431)
100 basis points decrease	431	431
<b>30 September 2010</b>		
100 basis points increase	(273)	(273)
100 basis points decrease	273	273

#### (d) Net fair values

All financial assets and liabilities have been recognised at balance date at their net fair values and approximate total carrying amounts as per the Statement of Financial Position.

## 9. Segment information

The Fund invests in Australian domiciled Bank accepted bills, Negotiable certificates of deposit and cash.

## 10. The Fund

The Fund is constituted by deed (the Constitution) dated 12 October 1992, as amended.

## 11. Contingent assets and liabilities

No material contingent assets or liabilities existed at, or have arisen since, balance date.

## 12. Significant events after balance date

No significant events have occurred since balance date which would impact on the financial position of the Fund as disclosed in the Statement of Financial Position as at 30 September 2011 and the results of the Statement of Comprehensive Income and Statement of Cash Flows of the Fund for the year ended on that date.

## 13. Director and executive disclosures

(a) Details of specified directors and specified executives

### **(i) Details of specified directors of the Responsible Entity**

The directors of the Responsible Entity during the financial year were:

Jennifer L Dawson (Chairman)

Ian G Mansbridge

Marnie A Baker

John A Billington

### **(ii) Specified executives**

Neither the Fund or Responsible Entity employ persons deemed to be specified executives of the Fund.

(b) Remuneration of specified directors

### **(i) Remuneration policy**

Remuneration of directors is paid directly by the parent entity, Bendigo and Adelaide Bank Limited. The directors do not receive any remuneration directly from the Fund. The above named directors form the key management personnel of the Fund.

Bendigo and Adelaide Bank Limited is responsible for determining and reviewing compensation arrangements for the directors of the Responsible Entity. The remuneration of each director is assessed annually by reference to relevant employment market conditions with the overall objective of emoluments of the directors ensuring maximum stakeholder benefit from the retention of a high quality board.

## 14. Related party disclosures

- (i) The Responsible Entity of the Sandhurst Cash Common Fund is Sandhurst Trustees Limited, a wholly owned subsidiary of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178).
- (ii) Directors, officers and employees of the Responsible Entity and related body corporate may from time to time have investments in the Fund. Any transactions are conducted under normal commercial terms and conditions.
- (iii) Independent compliance committee: Compliance committee members of Sandhurst Trustees Limited may from time to time have investments in the Fund. Any transactions are conducted under normal commercial terms and conditions.
- (iv) The Responsible Entity does not have any direct interest in the assets held by the Fund, other than of a management and investment nature.
- (v) As at 30 September 2011, the Responsible Entity held no investments in the Fund.
- (vi) Trustee management/administration fees paid/payable to the Responsible Entity in accordance with the Fund's Constitution for the year ended 30 September 2011 amount to \$2,795,372 (2010: \$2,123,171).
- (vii) Accounting fees paid/payable to Bendigo and Adelaide Bank Limited for the year ended 30 September 2011 amount to \$638 (2010: \$638).
- (viii) As at 30 September 2011, the amount owing to Sandhurst Trustees Limited by the Fund was \$Nil (2010: \$Nil).
- (ix) As at 30 September 2011, the Fund had \$86,189,600 (2010: \$77,725,071) on deposit with the Bendigo and Adelaide Bank on normal commercial terms and conditions.

## 15. Auditors' remuneration

Amounts received, or due and receivable by the auditors for:

	<b>2011</b> \$	<b>2010</b> \$
Audit and review services	6,600	6,500

# Directors' declaration

The directors of the Responsible Entity declare that:

1. The financial statements and notes of the Fund,
  - (a) comply with Accounting Standards, the Fund's Constitution and the Corporations Act 2001; and
  - (b) give a true and fair view of the financial position of the Fund as at 30 September 2011 and of its performance as represented by the results of its operations and cash flows for the year ended on that date;
2. In the directors' opinion there are reasonable grounds to believe that the Fund 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 of the Responsible Entity.

A handwritten signature in black ink that reads "Jennifer Dawson". The signature is written in a cursive, flowing style.

Jennifer L Dawson  
Director  
Bendigo

24 November 2011

# Independent audit report

## To the Members of Sandhurst Cash Common Fund

### Scope

The financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in net assets attributable to investors, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Sandhurst Cash Common Fund ("the Fund"), for the year ended 30 September 2011.

The Responsible Entity of the Fund is responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the Fund, and that complies with Accounting Standards in Australia, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are established to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

### Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Fund. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly in accordance with the Corporations Act 2001, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Fund's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant account estimates made by the Responsible Entity.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the Responsible Entity of the Fund.

## Independence

We are independent of the Responsible Entity, and have met the independence requirements of the Australian Professional Ethical Pronouncements and the Corporations Act 2001.

## Audit Opinion

In our opinion, the financial report of Sandhurst Cash Common Fund is in accordance with:

- (a) the Corporations Act 2001, including;
  - (i) giving a true and fair view of the Sandhurst Cash Common Fund's financial position as at 30 September 2011, and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations;
- (b) the provisions of the Constitution dated 12 October 1992, as amended; and
- (c) other mandatory professional reporting requirements.

### **Richmond Sinnott & Delahunty Chartered Accountants**



W J Sinnott  
Partner  
Bendigo  
24 November 2011

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Proudly part of  **Bendigo and  
Adelaide Bank**

The responsible entity and issuer of Sandhurst Cash Common Fund is Sandhurst Trustees Limited ABN 16 004 030 737 AFSL 237906 a subsidiary of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879 (S38240) (11/11)

 **Bendigo Wealth**  
managed funds