



Bendigo Wealth

Sandhurst Professional Series

Annual Report 2011

Sandhurst Professional IML
Industrial Share Fund

ARSN 119 357 498

Sandhurst Professional IML
Future Leaders Fund

ARSN 119 357 756

Sandhurst Professional IML
Australian Share Fund

ARSN 119 357 809

The Responsible Entity and Issuer of the Sandhurst Professional Series 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

Issued by **Sandhurst Trustees**

Contents	Page	Sandhurst Professional Series Funds (Diversified Options) Financial Report For the year ended 30 June 2011
Directors' Report	2	
Statement of Comprehensive Income	9	
Statement of Financial Position	10	Responsible Entity Sandhurst Trustees Limited AFSL 237906 ABN 16 004 030 737
Statement of Changes in Net Assets Attributable to Unitholders	11	The Bendigo Centre Bendigo, VIC, 3550 Telephone: (03) 5485 6771 Facsimile: (03) 5485 7624
Statement of Cash Flows	12	
Notes to the Financial Statements	13	Joint Secretaries of the Responsible Entity Mark Stephen Hall David Andrew Oataway
Declaration to the Unitholders	32	
Independent Audit Report	33	Financial Report Joint Auditors Ernst & Young Ernst & Young Building 8 Exhibition Street Melbourne, VIC, 3000
		Administration and Registry Sandhurst Trustees Limited Level 5, 120 Harbour Esplanade Docklands, VIC, 3008 Telephone: 1800 634 969 Facsimile: 1800 835 800
		Sandhurst Professional IML Industrial Share Fund ARSN 119 357 498
		Sandhurst Professional IML Future Leaders Fund ARSN 119 357 756
		Sandhurst Professional IML Australian Share Fund ARSN 119 357 809

Report by the directors of the responsible entity

The Directors of the Responsible Entity, Sandhurst Trustees Limited, present this report on the Sandhurst Professional IML Industrial Share Fund, Sandhurst Professional IML Future Leaders Fund and Sandhurst Professional IML Australian Share Fund (the "Funds") for the year ended 30 June 2011.

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 Lynn Dawson	Chairman
Ian George Mansbridge	
Marnie Ann Baker	
John Billington	(Appointed 28 September 2010)

Principal activities

The principal activity of the Funds during the year was the investment in a range of managed investment schemes managed by Investors Mutual Limited. The Funds invest predominantly in Australian shares (via underlying managed investment schemes).

The investment manager of the Funds is Investors Mutual Limited (ABN 14078030752).

No significant change in the nature of these activities occurred during the year.

Managed investment scheme

The Funds are Australian registered schemes, and were constituted on 13 April 2006. Sandhurst Trustees Limited, the Responsible Entity of the Fund, is incorporated and domiciled in Australia.

Net assets attributable to unitholders

Net assets attributable to unitholders are classified and disclosed as a liability in the Statement of Financial Position. Consequently, the Funds have recognised distributions to unitholders as a finance cost in the Statement of Comprehensive Income.

Report by the directors of the responsible entity (continued)

Review of Results and Operations

Results and distributions	Sandhurst Professional IML Industrial Share Fund		Sandhurst Professional IML Future Leaders Fund		Sandhurst Professional IML Australian Share Fund	
	2011	2010	2011	2010	2011	2010
Net profit/(loss) attributable to unitholders (before finance costs)	\$ 588,712	\$ 1,004,158	\$ 333,988	\$ 487,036	\$ 995,934	\$ 1,517,757

Distributions to unitholders paid in respect of the financial year were:

Results and distributions	Sandhurst Professional IML Industrial Share Fund		Sandhurst Professional IML Future Leaders Fund		Sandhurst Professional IML Australian Share Fund	
	2011	2010	2011	2010	2011	2010
Interim Distributions Paid	\$ 76,596	\$ 104,868	\$ 41,350	\$ 42,751	\$ 102,014	\$ 132,670
Final Distributions Paid	158,918	138,213	36,218	35,888	258,846	203,565
Total	235,514	243,081	77,568	78,639	360,860	336,235

The cents per unit of these distributions is disclosed below:

Results and distributions	Sandhurst Professional IML Industrial Share Fund		Sandhurst Professional IML Future Leaders Fund		Sandhurst Professional IML Australian Share Fund	
	2011 CPU*	2010 CPU*	2011 CPU*	2010 CPU*	2011 CPU*	2010 CPU*
Interim Distributions Paid	1.23	1.24	1.45	1.11	1.04	1.05
Final Distributions Paid	2.90	2.02	1.29	1.02	2.93	1.84
Total	4.13	3.26	2.74	2.13	3.97	2.89

* Denotes Cents Per Unit

Report by the directors of the responsible entity (continued)

Performance

The annual performance of the Funds over each of the past four years is summarised in the following tables:

Sandhurst Professional IML Industrial Share Fund	2011	2010	2009	2008
	%	%	%	%
Growth return	6.32	9.94	(12.62)	(28.47)
Distribution return	5.40	4.52	5.84	4.00
Total return	11.72	14.46	(6.78)	(24.48)
Benchmark return	9.20	14.50	(14.50)	(26.70)

Benchmark: S&P/ASX 300 Industrial Accumulation Index

Sandhurst Professional IML Future Leaders Fund	2011	2010	2009	2008
	%	%	%	%
Growth return	14.36	19.95	(19.38)	(41.54)
Distribution return	4.74	4.26	4.93	13.43
Total return	19.10	24.21	(14.45)	(28.11)
Benchmark return	14.80	9.80	(25.70)	(15.90)

Benchmark: S&P/ASX 300 Accumulation Index (EX S&P/ASX 50 and property trusts)

Sandhurst Professional IML Australian Share Fund	2011	2010	2009	2008
	%	%	%	%
Growth return	7.15	11.17	(15.68)	(23.62)
Distribution return	5.05	3.95	4.64	4.19
Total return	12.20	15.12	(11.04)	(19.44)
Benchmark return	11.90	13.10	(20.30)	(13.70)

Benchmark: S&P/ASX 300 Accumulation Index

The growth return is calculated as the return derived by a unitholder due to changes in capital value over the period. The distribution return is the return derived by a unitholder due to distributions paid by the Funds. The total return is calculated as the investment performance of the Funds assuming the reinvestment of all distributions back into the Funds.

Significant changes in state of affairs

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

Indirect Cost Ratio

The Indirect Cost Ratio (ICR) is the ratio of the Funds' management costs over the Funds' 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 Funds but do not include transactional and operational costs such as brokerage. Management costs are not paid directly by the unitholders of the Funds.

The ICR for the Funds for the year ended 30 June 2011 is 1.30% (2010:1.30% for the Sandhurst Professional IML Industrial Share Fund and the Sandhurst Professional IML Australian Share Fund; and 1.40% for the Sandhurst Professional IML Future Leaders Fund.)

Significant events after the balance date

There has been no matter or circumstance that has arisen since the end of the financial year that significantly affected, or may affect, the Funds' operations in future financial years, the results of those operations or the Funds' state of affairs in future financial years.

Likely developments and expected results

The investment strategy of the Funds will be maintained in accordance with the Funds' Constitutions and investment objectives as detailed in the most recent Product Disclosure Statement.

Environmental regulation and expected results

The operations of the Funds 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 Funds.

Options

No options over units in the Funds 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 directors

Under the Funds' constitutions, the Responsible Entity, including its officers and employees, is indemnified out of the Funds' assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Funds.

The Funds have not indemnified any auditor of the Funds.

During the financial year the Responsible Entity paid a premium under a contract insuring each Director, associated Director, and officer 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.

Units on Issue

The movement in units on issue of the Funds for the year was as follows:

	Sandhurst Professional IML Industrial Share Fund		Sandhurst Professional IML Future Leaders Fund		Sandhurst Professional IML Australian Share Fund	
	2011 Units	2010 Units	2011 Units	2010 Units	2011 Units	2010 Units
Units issued	606,809	1,418,519	322,431	993,149	713,977	2,218,670
Units redeemed	(1,957,571)	(3,335,683)	(1,016,734)	(1,650,905)	(2,947,248)	(3,950,384)
Units on issue as at 30 June	5,476,531	6,827,292	2,815,458	3,509,761	8,826,634	11,059,905
	2011	2010	2011	2010	2011	2010
Value of total Fund assets as at 30 June	\$ 4,659,428	\$ 5,415,801	\$ 1,913,828	\$ 2,082,643	\$ 7,759,314	\$ 8,975,725

The basis for valuation of the Funds' assets is disclosed in Note 2 to the financial statements.

Interests of the Responsible Entity

The Responsible Entity and its associates held no units in the Funds during the financial year.

The following fees were paid to Sandhurst Trustees Limited and its associates out of the Funds during the financial year:

	Sandhurst Professional IML Industrial Share Fund		Sandhurst Professional IML Future Leaders Fund		Sandhurst Professional IML Australian Share Fund	
	2011	2010	2011	2010	2011	2010
Management fees paid/payable directly by the Funds	\$ (16,832)	\$ (21,875)	\$ (6,342)	\$ (8,436)	\$ (27,733)	\$ (34,428)

Auditors' Independence Declaration

A copy of the auditors' independence declaration is set out on the following page.

Rounding

The amounts contained in the financial report and the Directors' report have been rounded off under the option under ASIC Class Order 98/0100. The Funds are entities 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 (where rounding is appropriate).

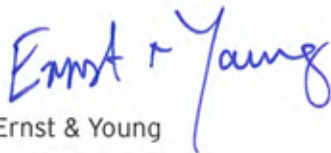
Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink that reads "Jennifer Dawson". The signature is written in a cursive style with a large initial 'J' and a distinct 'D'.

Jennifer L Dawson
Director
25 August 2011

Auditor's Independence Declaration to the Directors of Sandhurst Trustees Limited, as Responsible Entity for the Sandhurst Professional IML Industrial Share Fund, Sandhurst Professional IML Future Leaders Fund and Sandhurst Professional IML Australian Share Fund

In relation to our audit of the financial report of Sandhurst Professional IML Industrial Share Fund, Sandhurst Professional IML Future Leaders Fund and Sandhurst Professional IML Australian Share Fund for the financial year ended 30 June 2011, 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.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to be 'T M Dring'.

T M Dring
Partner
25 August 2011

Statement of Comprehensive Income
For the year ended 30 June 2011

	Note	Sandhurst Professional IML Industrial Share Fund		Sandhurst Professional IML Future Leaders Fund		Sandhurst Professional IML Australian Share Fund	
		2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Income							
Finance income	3(a)	487	708	247	325	1,057	1,167
Distribution income		251,860	264,248	123,966	105,671	387,536	369,703
Changes in fair value of investments	12	353,197	761,077	216,117	389,476	635,074	1,181,315
		605,544	1,026,033	340,330	495,472	1,023,667	1,552,185
Expenses							
Management fees	11(d)	(16,832)	(21,875)	(6,342)	(8,436)	(27,733)	(34,428)
Net profit/(loss) attributable to Unitholders (before finance costs)		588,712	1,004,158	333,988	487,036	995,934	1,517,757
Finance costs							
Distributions to unitholders	3(b)	(235,514)	(243,081)	(77,568)	(78,639)	(360,860)	(336,235)
Change in Net Assets attributable to Unitholders		353,198	761,077	256,420	408,397	635,074	1,181,522

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

Statement of Financial Position
As at 30 June 2011

	Note	Sandhurst Professional IML Industrial Share Fund 2011	\$	Sandhurst Professional IML Future Leaders Fund 2011	\$	Sandhurst Professional IML Australian Share Fund 2010	\$	Sandhurst Professional IML Australian Share Fund 2011	\$
Assets									
Cash assets		1,105		965		2,550		(266)	479
Trade and other receivables	4	166,306		79,636		58,383		271,558	220,298
Investments in financial assets									
At fair value through profit or loss	5	4,492,017		1,833,227		2,021,710		7,488,022	8,754,948
Total Assets		4,659,428		1,913,828		2,082,643		7,759,314	8,975,725
Liabilities									
Trade and other payables		4,122		1,692		1,953		7,163	8,792
Distribution payable	6	158,918		36,218		35,888		258,846	203,565
Total liabilities excluding Net Assets attributable to Unitholders		163,040		37,910		37,841		266,009	212,357
Net Assets attributable to Unitholders (Liability)	7(b)	4,496,388		1,875,918		2,044,802		7,493,305	8,763,368

The above Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 30 June 2011

	Note	Sandhurst Professional IML Industrial Share Fund \$	Sandhurst Professional IML Future Leaders Fund \$	Sandhurst Professional IML Australian Share Fund \$
At 1 July 2010		6,142,115	2,024,122	9,116,677
Net profit/(loss) attributable to unitholders (before finance costs)				
Distribution to unitholders		1,004,158	487,036	1,517,757
Application for units		(243,081)	(78,639)	(336,235)
Redemption of units		747,036	592,230	1,692,575
		(2,377,854)	(979,947)	(3,227,406)
At 30 June 2010		5,272,374	2,044,802	8,763,368
Net profit/(loss) attributable to unitholders (before finance costs)				
Distribution to unitholders		588,712	333,988	995,934
Application for units		(235,514)	(77,568)	(360,860)
Redemption of units		150,417	157,324	434,471
		(1,279,601)	(582,628)	(2,339,608)
At 30 June 2011	7(b)	4,496,388	1,875,918	7,493,305

The above Statement of Changes in Net Assets attributable to Unitholders should be read in conjunction with the accompanying notes to the financial statements.

Statement of Cash Flows
For the year ended 30 June 2011

	Note	Sandhurst Professional IML Industrial Share Fund		Sandhurst Professional IML Future Leaders Fund		Sandhurst Professional IML Australian Share Fund	
		2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Cash flows from operating activities							
Interest received		487	708	247	325	1,057	1,166
Distributions received		233,571	363,128	102,695	117,841	336,165	525,164
GST received		1,306	1,616	482	627	2,140	2,443
Management fees		(19,156)	(23,710)	(7,067)	(9,196)	(31,392)	(35,834)
Net cash flows from/(used in) operating activities	8(b)	216,208	341,742	96,357	109,597	307,970	492,939
Cash flows from investing activities							
Proceeds from the sale of securities		1,274,900	2,353,300	942,600	1,005,500	2,464,000	3,078,500
Payments for purchase of securities		(148,000)	(723,754)	(538,000)	(618,000)	(562,000)	(1,541,000)
Net cash flows from/(used in) investing activities		1,126,900	1,629,546	404,600	387,500	1,902,000	1,537,500
Cash flows from financing activities							
Proceeds from applications by unitholders		127,000	720,457	147,000	584,000	360,000	1,623,054
Payments for redemptions by unitholders		(1,279,601)	(2,377,854)	(582,628)	(979,947)	(2,339,607)	(3,227,406)
Distribution paid		(191,391)	(315,059)	(66,914)	(101,196)	(231,108)	(425,355)
Net cash (used in)/provided by financing activities		(1,343,992)	(1,972,456)	(502,542)	(497,143)	(2,210,715)	(2,029,707)
Net (decrease)/increase in cash held		(884)	(1,168)	(1,585)	(46)	(745)	732
Cash at the beginning of the year		1,989	3,157	2,550	2,596	479	(253)
Cash at the end of the year	8(a)	1,105	1,989	965	2,550	(266)	479

The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

Notes to the Financial Statements

1. Corporate information

The financial report of the Funds for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors of the Responsible Entity on 25 August 2011. The Funds are Managed Investment Schemes, constituted on 13 April 2006. Sandhurst Trustees Limited, the Responsible Entity of the Funds, is incorporated and domiciled in Australia. The nature of operations and principal activities of the Funds are described in the Report by the Directors of the Responsible Entity.

2. Summary of significant accounting policies

(a) *Basis of Preparation*

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared in accordance with the historical cost convention, except for the valuation of investments in financial assets, which have been measured at fair value.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. Additional information regarding this are included in the relevant notes.

(b) *Statement of compliance*

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(c) *Investments*

Classification

Each of the Funds classifies its financial assets and financial liabilities in accordance with AASB 139.

Financial instruments designated as at fair value through profit or loss upon initial recognition

These include equity securities and debt instruments that are not held for trading. These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of each of the Funds.

Recognition

Each of the funds recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Funds commit to purchase or sell the asset.

Derecognition

Derecognition occurs when the Funds transfer a financial asset and is no longer exposed to substantially all of the risks and rewards of the asset. Where the Funds neither retain nor transfer substantially all of the risks and rewards of the financial asset, derecognition occurs when the Funds no longer control the asset.

(c) Investments (continued)

Initial measurement

All investments are initially recognised at fair value, being the fair value of the consideration paid excluding transaction costs. After initial recognition, financial assets designated as at fair value through profit or loss are revalued to fair value at each reporting date, with changes in their fair value recognised in the profit and loss.

The fair value of units in Managed Investment Schemes is determined by reference to published bid prices at the close of business on the Statement of Financial Position date being the redemption price as established by the underlying fund's responsible entity.

Subsequent measurement

Gains or losses on investments at fair value through profit or loss are recognised in the Statement of Comprehensive Income. Changes in fair values are recorded in 'Changes in fair value of investments designated at fair value through the profit and loss'. Investments of the Funds which are considered to be at fair value through profit or loss are equity securities, derivatives and interest bearing securities which there is no positive intention to hold to maturity.

(d) Income Tax

Under current legislation, the Funds are not subject to income tax provided the unitholders are presently entitled to the income of the Funds and the Funds fully distribute their taxable income. The new legislation Taxation of Financial Arrangements has been implemented effective 1 July 2010. The regime aims to align the tax and accounting treatment of financial arrangements. The Funds made a transitional election to bring pre-existing arrangements into TOFA, which will result in deferred tax balances of affected financial arrangements progressively reversing over a four year period.

(e) Cash

For the purpose of the Statement of Cash Flows, cash includes cash at bank and deposits at call, which are readily convertible to cash.

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Funds and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Distributions

Distributions are recognised as income when the right to receive the payment is established.

Interest income

Income on cash deposit is recognised on an accrual basis, using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument.

Changes in the fair value of investments

Gains and losses on investments are calculated as the difference between the fair value at sale, or at the year end, and the fair value at the previous valuation point. This includes both realised gains and losses and unrealised gains and losses, but does not include interest or dividend revenue.

(g) Receivables

Receivables are recognised and carried at the nominal amount, less a provision for any uncollectible debts. Amounts are generally received within 30 days of being recorded as receivables. Outstanding trade receivables are usually settled within three days.

(h) Distributions paid/payable

In accordance with the Funds' Constitutions, the Funds fully distribute their distributable income to unitholders. Distributions are payable at the end of each half year. Such distributions are determined by reference to the taxable income of the Funds. Distributable income includes capital gains arising from the disposal of investments. Unrealised gains and losses on investments that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains.

(i) Payables

Liabilities for creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Funds. Payables include outstanding settlements on the purchase of investments and the distribution payable. The carrying period is dictated by market conditions and is generally less than 30 days. Outstanding trade payables are usually settled within three days.

(j) Change in net assets attributable to unitholders

Non-distributable income is retained in net assets attributable to unitholders and may consist of unrealised changes in the net fair value of investments, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible or net capital losses. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously retained in net asset attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year as it becomes assessable for tax.

(k) Unit Prices

Unit Prices are determined in accordance with the Funds' Constitutions and are calculated on the net assets attributable to unitholders of the Funds, less estimated costs divided by the number of units on issue, on a forward pricing basis, as determined by the Responsible Entity.

(l) Terms and conditions on units

Each unit issued confers upon the unitholder an equal interest in the Funds, and is of equal value. A unit does not confer any particular asset or investment of the Funds. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- have their units redeemed;
- receive income distributions;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Funds.

The rights, obligations and restrictions attached to each unitholder are identical in all respects.

Redeemable units

Redeemable units are redeemable at the unitholders' option at anytime for cash equal to a proportionate share of the Funds' net asset value (calculated in accordance with redemption requirements) and are classified as financial liabilities. The financial liability is disclosed on the Statement of Financial Position as 'Net Assets attributable to Unitholders (Liability)'. The units are classified as financial liabilities due to the fact that, in addition to the contractual obligation to pay cash to unitholders' upon redemption, the Funds also have compulsory distribution clauses in the Funds' constitution.

The liabilities arising from the redeemable units are carried at the redemption amount being the net asset value calculated in accordance with redemption requirements. The Funds' net asset value per unit is calculated by dividing the net assets attributable to unitholders (calculated in accordance with redemption requirements) by the number of units on issue.

This valuation of net assets is different from the IFRS valuation requirements. The difference between the two valuations is presented in Note 7(b) as 'Adjustment from sell-market prices to bid-market prices'.

For the purpose of calculating the net assets attributable to unitholders in accordance with the Funds' redemption requirements, the Funds' assets and liabilities are valued on the basis of mid-market prices.

(m) Goods and services tax (GST)

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable.

Expenses incurred by the Funds are recognised net of the amount of GST which is able to be recovered from the Australian Taxation Office (ATO). Reduced input tax credits (RITC) recoverable by the Fund from the ATO are recognised as receivables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Sandhurst Professional Series Funds (Diversified Options)
Financial Report for the year ended 30 June 2011

(n) *Application of Accounting Standards*

Australian Accounting Standards that have recently been issued but are not yet effective have not been adopted for the annual reporting period ending 30 June 2011.

AASB Amendment/ Standard	Title	Nature of change to accounting policy	Application date of Standard	Application date for the scheme
AASB 9	AASB 9 Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). AASB 9 applies to annual reporting periods beginning on or after 1 January 2013, however it may be early adopted for annual reporting periods ending on or after 31 December 2009. The Fund has not early adopted AASB 9 for the year ended 30 June 2011. Given that the Fund's investments are all currently measured at fair value through profit or loss, it is not anticipated that adoption of AASB 9 will have a significant impact on the Fund.	1 Jan 2013	1 Jul 2013
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	These amendments arise from the issuance of AASB 9 Financial Instruments that sets out requirements for the classification and measurement of financial assets.	1 Jan 2013	1 Jul 2013
AASB 2009-12	Amendments to Australian Accounting Standards	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.	1 Jan 2011	1 Jul 2011
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition.	1 Jan 2011	1 Jul 2011
AASB 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements.	1 Jul 2013	1 Jul 2013
AASB 1054	Australian Additional Disclosures	This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. It relocates all Australian specific disclosures from other standards to one place and revises certain other disclosures.	1 Jul 2011	1 Jul 2011
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.	1 Jan 2011	1 Jul 2011

Sandhurst Professional Series Funds (Diversified Options)
Financial Report for the year ended 30 June 2011

(n) *Application of Accounting Standards (continued)*

AASB Amendment/ Standard	Title	Nature of change to accounting policy	Application date of Standard	Application date for the scheme
AASB 2010-5	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.	1 Jan 2011	1 Jul 2011
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained.	1 Jan 2013	1 Jul 2013
AASB 2011-1	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132, AASB 134, Interpretation 2, Interpretation 112, Interpretation 113]	This Standard amends many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054.	1 Jul 2011	1 Jul 2011

If these accounting standards had been adopted, we do not believe that there would have been a material impact to either the Statement of Comprehensive Income for the year to 30 June 2011 or the Statement of Financial Position as at 30 June 2011.

(n) Application of Accounting Standards (continued)

Changes in Accounting Policies

The impact of new or amended Australian Accounting Standards and interpretations has been assessed and to the extent applicable to the Funds for the annual reporting period ended 30 June 2011 are outlined in the table below.

AASB Amendment/ Standard	Title	Nature of change to accounting policy
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	Amendments to Standards resulting in accounting changes for presentation, recognition or measurement purposes, some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.

(o) Significant accounting judgments and estimates

The preparation of the Funds' financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Fair value of financial instruments.

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of liquidity and model inputs such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

(p) Functional Currency

The primary objective of the Funds are to generate returns in Australian Dollars, its funding currency. The liquidity of the Funds are managed on a day-to-day basis in Australian Dollars in order to handle the issue and redemption of the Funds' units. The Funds' performance are evaluated in Australian Dollars. Therefore, management considers the Australian Dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Sandhurst Professional Series Funds (Diversified Options)
Financial Report for the year ended 30 June 2011

	Sandhurst Professional IML Industrial Share Fund 2011 \$	Sandhurst Professional IML Future Leaders Fund 2011 \$	Sandhurst Professional IML Australian Share Fund 2011 \$	Sandhurst Professional IML Industrial Share Fund 2010 \$	Sandhurst Professional IML Future Leaders Fund 2010 \$	Sandhurst Professional IML Australian Share Fund 2010 \$
3. Finance income and distributions to unitholders						
(a) Interest Revenue						
Interest Revenue	487	247	1,057	708	325	1,167
(b) Distributions to unitholders						
Distributions to unitholders	235,514	77,568	360,860	243,081	78,639	336,235
<i>Distributions to unitholders</i>		2011	2010		2011	2010
		\$	\$		CPU*	CPU*
Sandhurst Professional IML Industrial Share Fund						
Interim distributions paid 31 December		76,596	104,868		1.23	1.24
Final distribution payable 30 June		158,918	138,213		2.90	2.02
Distributions to unitholders		235,514	243,081		4.13	3.26
Sandhurst Professional IML Future Leaders Fund						
Interim distributions paid 31 December		41,350	42,751		1.45	1.11
Final distribution payable 30 June		36,218	35,888		1.29	1.02
Distributions to unitholders		77,568	78,639		2.74	2.13
Sandhurst Professional IML Australian Share Fund						
Interim distributions paid 31 December		102,014	132,670		1.04	1.05
Final distribution payable 30 June		258,846	203,565		2.93	1.84
Distributions to unitholders		360,860	336,235		3.97	2.89

* Denotes Cents Per Unit

**Sandhurst Professional Series Funds (Diversified Options)
Financial Report for the year ended 30 June 2011**

	Sandhurst Professional IML Industrial Share Fund 2011	Sandhurst Professional IML Future Leaders Fund 2011	Sandhurst Professional IML Future Leaders Fund 2010	Sandhurst Professional IML Australian Share Fund 2011	Sandhurst Professional IML Australian Share Fund 2010
	\$	\$	\$	\$	\$
4. Trade and other receivables					
Sundry debtors	281	115	133	488	599
Distributions receivable	166,025	79,521	58,250	271,070	219,699
	166,306	79,636	58,383	271,558	220,298

Refer to note 2(g) for terms and conditions of trade and other receivables

	Sandhurst Professional IML Industrial Share Fund 2011	Sandhurst Professional IML Future Leaders Fund 2011	Sandhurst Professional IML Future Leaders Fund 2010	Sandhurst Professional IML Australian Share Fund 2011	Sandhurst Professional IML Australian Share Fund 2010
	\$	\$	\$	\$	\$
5. Investments					
Unlisted Managed Investment Schemes	4,492,017	1,833,227	2,021,710	7,488,022	8,754,948

Fair value of financial instruments

The fair value of units in unlisted managed investment schemes (including investments in schemes that have suspended daily redemptions) is determined by reference to published bid prices at the close of business on the reporting date, being the redemption price as established by the underlying scheme's responsible entity.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 fair value measurements are those instruments valued based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 fair value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

5. Investments (continued)

Fair value of financial instruments (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2011				
Financial assets at fair value through profit or loss				
Unlisted Managed Investment Schemes				
Sandhurst Professional IML Industrial Share Fund	-	4,492,017	-	4,492,017
Sandhurst Professional IML Future Leaders Fund	-	1,833,227	-	1,833,227
Sandhurst Professional IML Australian Share Fund	-	7,488,022	-	7,488,022
As at 30 June 2010				
Financial assets at fair value through profit or loss				
Unlisted Managed Investment Schemes				
Sandhurst Professional IML Industrial Share Fund	-	5,265,721	-	5,265,721
Sandhurst Professional IML Future Leaders Fund	-	2,021,710	-	2,021,710
Sandhurst Professional IML Australian Share Fund	-	8,754,948	-	8,754,948

	Sandhurst Professional IML Industrial Share Fund 2011 \$	Sandhurst Professional IML Future Leaders Fund 2011 \$	Sandhurst Professional IML Australian Share Fund 2011 \$	Sandhurst Professional IML Australian Share Fund 2010 \$	Sandhurst Professional IML Australian Share Fund 2010 \$	Total \$
Trade and other payables						
Sundry creditors	4,122	1,692	7,163	1,953	8,792	8,792
Refer to Note 2(i) for terms and conditions of trade and other payables						

Sandhurst Professional Series Funds (Diversified Options)
Financial Report for the year ended 30 June 2011

	Sandhurst Professional IML Industrial Share Fund 2011 Units	Sandhurst Professional IML Share Fund 2010 Units	Sandhurst Professional IML Future Leaders Fund 2011 Units	Sandhurst Professional IML Australian Share Fund 2010 Units	Sandhurst Professional IML Australian Share Fund 2011 Units
6,827,292	8,744,456		3,509,761	4,167,517	11,059,905
577,179	1,383,266		306,047	977,851	622,738
29,630	35,253		16,384	15,298	91,239
(1,957,571)	(3,335,683)		(1,016,734)	(1,650,905)	(2,947,248)
5,476,531	6,827,292		2,815,458	3,509,761	8,826,634
4,508,089	5,286,016		1,880,656	2,050,001	7,512,878
(11,701)	(13,642)		(4,738)	(5,199)	(19,573)
4,496,388	5,272,374		1,875,918	2,044,802	7,493,305
748,557	1,591,983		468,078	1,085,694	1,295,808

7. Net assets attributable to unitholders

The terms and conditions attached to units in the Funds can be found in Note 2(f).

(a) Units on issue

Balance at the beginning of the year

Applications

- Cash

- Reinvested distributions

Redemptions

Balance at the end of the year

(b) Reconciliation of net assets attributable to unitholders

Net assets attributable to unitholders (calculated in accordance with redemption requirements)

Adjustment from nav-market prices to bid-markets prices

Net assets attributable to unitholders (calculated in accordance with AIFRS)

(c) Components of net assets attributable to unitholders

Included within closing net assets attributable to unitholders are the following amounts:

Unrealised gains/(losses) on investments

Unrealised gains/(losses) on investments represents the net unrealised gain/loss on investments held by the Funds at balance date, which are not yet distributable to unitholders.

For movements in unitholder's funds refer to the Statement of Changes in Net Assets Attributable to Unitholders.

Sandhurst Professional Series Funds (Diversified Options)
Financial Report for the year ended 30 June 2011

	Sandhurst Professional IML Industrial Share Fund 2011 \$	Sandhurst Professional IML Future Leaders Fund 2011 \$	Sandhurst Professional IML Australian Share Fund 2010 \$	Sandhurst Professional IML Australian Share Fund 2011 \$	2010 \$
8. Notes to the Statement of Cash Flows					
(a) Reconciliation of cash					
Cash at bank	1,105	965	2,550	(266)	479
(b) Reconciliation of change in net assets attributable to unitholders to net cash flows from operating activities					
Change in net assets attributable to unitholders	353,198	256,420	408,397	635,074	1,181,522
Adjustments for:					
Distributions to unitholders	235,514	77,568	78,639	360,860	336,235
Changes in fair value of investments held at fair value through profit or loss	(353,197)	(216,117)	(389,476)	(635,074)	(1,181,315)
(Increase)/decrease in distributions receivable	(18,289)	(21,271)	12,170	(51,371)	155,461
(Increase)/decrease in sundry debtors	74	18	11	111	(75)
Increase/(decrease) in sundry creditors	(1,092)	(261)	(144)	(1,630)	1,111
Participation in dividend reinvestment plans	-	-	-	-	-
Net Cash provided by operating activities	216,208	96,357	109,597	307,970	492,939
(c) Non-Cash financing activities					
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan.	23,417	10,324	8,230	74,471	69,521

9. Financial risk management objectives and policies

(a) *Financial risk management objectives, policies and processes*

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 Funds' are exposed to market risk, liquidity risk and credit risk. Financial instruments of the Funds comprise investments in financial assets for the purpose of generating a return on the investment for unitholders.

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

The risks are measured using a method that reflects the expected impact on the results and the net assets attributable to unitholders of the Funds from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is discussed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflects the investment strategy and market environment of the Funds, as well as the level of risk the Funds are willing to accept, with additional emphasis on selected industries.

This information is prepared and reported to relevant parties within the Responsible Entity on a regular basis as deemed appropriate.

(b) *Credit Risk*

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

With respect to credit risk arising from the financial assets of the Funds, the Funds exposure to credit risk arises from the default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statement of Financial Position. 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 risk of counterparty default is deemed to be low as the receivables disclosed in the Statement of Financial Position are mainly distributions receivable.

The Funds hold no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

(c) *Liquidity Risk*

Liquidity risk is the risk that the Funds will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. To control liquidity and cash flow risk, the Funds invests in financial instruments, which under normal market conditions are readily convertible into cash. In addition, the Funds invests within established limits in order to avoid excessive concentration of risk.

Net assets attributable to unitholders are entirely payable on demand.

Sandhurst Professional Series Funds (Diversified Options)
Financial Report for the year ended 30 June 2011

(c) *Liquidity Risk (continued)*

The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. Balances due within 6 months equal their carrying amounts, as the impact of discounting is insignificant.

Sandhurst Professional IML Industrial Share Fund	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total
	\$	\$	\$	\$	\$
As at 30 June 2011					
Financial liabilities					
Trade and other payables	4,122	-	-	-	4,122
Distribution payable	158,918	-	-	-	158,918
Net assets attributable to unitholders	4,496,388	-	-	-	4,496,388
	4,659,428	-	-	-	4,659,428
As at 30 June 2010					
Financial liabilities					
Trade and other payables	5,214	-	-	-	5,214
Distribution payable	138,213	-	-	-	138,213
Net assets attributable to unitholders	5,272,374	-	-	-	5,272,374
	5,415,801	-	-	-	5,415,801
Sandhurst Professional IML Future Leaders Fund					
	\$	\$	\$	\$	\$
As at 30 June 2011					
Financial liabilities					
Trade and other payables	1,692	-	-	-	1,692
Distribution payable	36,218	-	-	-	36,218
Net assets attributable to unitholders	1,875,918	-	-	-	1,875,918
	1,913,828	-	-	-	1,913,828
As at 30 June 2010					
Financial liabilities					
Trade and other payables	1,953	-	-	-	1,953
Distribution payable	35,888	-	-	-	35,888
Net assets attributable to unitholders	2,044,802	-	-	-	2,044,802
	2,082,643	-	-	-	2,082,643
Sandhurst Professional IML Australian Share Fund					
	\$	\$	\$	\$	\$
As at 30 June 2011					
Financial liabilities					
Trade and other payables	7,163	-	-	-	7,163
Distribution payable	258,846	-	-	-	258,846
Net assets attributable to unitholders	7,493,305	-	-	-	7,493,305
	7,759,314	-	-	-	7,759,314
As at 30 June 2010					
Financial liabilities					
Trade and other payables	8,792	-	-	-	8,792
Distribution payable	203,565	-	-	-	203,565
Net assets attributable to unitholders	8,763,368	-	-	-	8,763,368
	8,975,725	-	-	-	8,975,725

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

Currency Risk

Currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The underlying managed investment schemes into which the Funds invests into intend to prudently manage foreign currency exposures to minimise adverse movements in the dollar arising from changes in exchange rates.

The currency risk disclosures have been prepared on the basis of the Funds direct investments and not on a look-through basis for investments held indirectly through unit trusts, consequently the Funds do not have a direct exposure or concentration of currency risk.

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. The Funds have established limits on investments in interest bearing assets, which are monitored on a daily basis.

Equity Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the markets. Equity price risk exposure arises from the Fund's investment portfolio.

The effect on the net assets attributable to unitholders and operating profit before distribution due to reasonably possible changes in market factors, as represented by the equity indices, with all other variables held constant as indicated in the following table.

(d) *Equity Risk (continued)*

Accounting assumptions - Variability of equity prices

The sensitivity is based on the volatility of change in the individual indices over the last 5 years. The volatility is the standard deviation of the index on a monthly basis. The Funds invest in shares from these indices however this analysis is an indication only of the effect on net assets attributable to unitholders. It cannot be assumed that the funds will move exactly in line with the respective indices.

	2011				2010			
	Changes in equity price		Effect on net assets attributable to unitholders/effect on net profit/(loss)		Changes in equity price		Effect on net assets attributable to unitholders/effect on net profit/(loss)	
	Increase %	Decrease %	Increase \$	Decrease \$	Increase %	Decrease %	Increase \$	Decrease \$
Sandhurst Professional IML Industrial Share Fund	16	(16)	718,723	(718,723)	16	(16)	842,515	(842,515)
Market Index								
S&P/ASX 300 Industrial Accumulation Index								
Sandhurst Professional IML Future Leaders Fund	23	(23)	421,642	(421,642)	23	(23)	464,993	(464,993)
S&P/ASX Small Companies Accumulation Index								
Sandhurst Professional IML Australian Share Fund	16	(16)	1,198,084	(1,198,084)	16	(16)	1,400,792	(1,400,792)
S&P/ASX 300 Accumulation Index								

10. Segmental information

The Funds operate in one business segment, being investment management. The Funds also operate from one geographic location, being Australia, from where its investing activities are managed.

11. Related party disclosures

(a) The Responsible Entity of the Funds is Sandhurst Trustees Limited (Sandhurst).

The controlling entity of Sandhurst is Bendigo Bank and Adelaide Limited (ABN 11 068 049 178).

Directors of Sandhurst Trustees Limited during the financial year and to the date of this report are:

Jennifer Lynn Dawson	Chairman
Ian George Mansbridge	
Marnie Ann Baker	
John Billington	(Appointed 28 September 2010)

The above named directors form the key management personnel of the Funds.

(b) Directors, officers and employees of the Responsible Entity and related body corporate may hold units in the Funds. Such transactions are completed on an arms length basis, except discounts on the application fee may be offered from time to time subject to provisions of the Corporations Act 2001.

No amounts are paid by the Funds directly to the Directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by the schemes to the Directors as Key Management Personnel.

(c) Management fees paid/payable to Sandhurst Trustees Limited as the (RE) in accordance with the provisions of the Fund's Constitution:

	2011	2010
	\$	\$
Sandhurst Professional IML Industrial Share Fund	16,832	21,875
Sandhurst Professional IML Future Leaders Fund	6,342	8,436
Sandhurst Professional IML Australian Share Fund	27,733	34,428

(d) As at 30 June 2011, there were no amounts payable to Sandhurst Trustees Limited.

(e) The Responsible Entity holds the following amounts in the Funds:

	Units held	Market value of units (\$)	Interest held (%)	Units purchased '000	Units sold '000	Distribution received or receivable (\$)
30 June 2011						
Sandhurst Professional IML Industrial Share Fund	498,753	410,557	9.07	-	-	20,608
Sandhurst Professional IML Future Leaders Fund	498,753	333,155	17.67	-	-	13,648
Sandhurst Professional IML Australian Share Fund	498,753	424,519	5.60	-	-	19,813
30 June 2010						
Sandhurst Professional IML Industrial Share Fund	498,753	385,193	7.28	-	-	16,281
Sandhurst Professional IML Future Leaders Fund	498,753	290,586	14.18	-	-	10,636
Sandhurst Professional IML Australian Share Fund	498,753	395,206	4.48	-	-	14,417

(f) The Funds have not made or given, guaranteed or secured, directly or indirectly, any loans, shares, options and other equity holdings to the directors or their personally-related entities at any time during the reporting year.

(g) Cash assets of the Funds are held in cash management accounts with Bendigo and Adelaide Bank Limited, the parent entity of Sandhurst Trustees Limited as Responsible Entity of the Funds. All interest earned as disclosed in Note 3(a) is derived from these accounts.

12. Changes in net market value of investments

	Sandhurst Professional IML Industrial Share Fund 2011	Sandhurst Professional IML Future Leaders Fund 2010	Sandhurst Professional IML Australian Share Fund 2010
Realised capital gains/(losses) during the year	(395,360)	(830,906)	(696,218)
Unrealised capital gains/(losses) during the year	748,557	1,591,983	1,085,694
	353,197	761,077	389,476
	\$	\$	\$
	(251,960)	(251,960)	(660,734)
	468,077	468,077	1,295,808
	216,117	216,117	635,074
	\$	\$	\$
			(970,376)
			2,151,691
			1,181,315

13. Auditor's remuneration

For the year ended 30 June 2011 audit fees and other service fees were paid by the Responsible Entity.

14. Contingent liabilities

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

15. Events after the Statement of Financial Position date

Since 30 June 2011 there has not been any matter or circumstances not otherwise dealt with in the financial report that has significantly affected or may significantly affect the Funds.

Responsible Entity's declaration to the Unitholders of the Sandhurst Professional Series Funds (Diversified Options)

The Directors of the Responsible Entity declare that:

- (a) the financial statements and notes of the Funds are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Funds as at 30 June 2011 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Funds' Constitutions and the Corporations Act 2001;
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable;
- (c) the financial statements are in accordance with the provisions of the Funds' Constitutions; and
- (d) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

This declaration is made in accordance with a resolution of the Board of Directors of the Responsible Entity.



Jennifer L Dawson
Director
25 August 2011

Independent auditor's report to the unitholders of Sandhurst Professional IML Industrial Share Fund, Sandhurst Professional IML Future Leaders Fund and Sandhurst Professional IML Australian Share Fund

We have audited the accompanying financial report of Sandhurst Professional IML Industrial Share Fund, Sandhurst Professional IML Future Leaders Fund and Sandhurst Professional IML Australian Share Fund ("the Funds"), which comprises the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Net Assets attributable to Unitholders and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of Sandhurst Trustees Limited, as Responsible Entity of the Funds are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and the provisions of the Fund's Constitutions. This responsibility includes establishing and maintaining internal controls 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. In Note 2(b), the directors of the Responsible Entity also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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 our 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, we consider internal controls relevant to the Funds' 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 Funds' internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Responsible Entity, as well as evaluating the overall presentation of the financial report.

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 met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Sandhurst Professional IML Industrial Share Fund, Sandhurst Professional IML Future Leaders Fund and Sandhurst Professional IML Australian Share Fund is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Sandhurst Professional IML Industrial Share Fund, Sandhurst Professional IML Future Leaders Fund and Sandhurst Professional IML Australian Share Fund at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.



Ernst & Young



T M Dring
Partner
Melbourne
25 August 2011

This page intentionally left blank.

This page intentionally left blank.



Proudly part of  **Bendigo and
AdelaideBank**

(S35273-4) (06/11)

 **BendigoWealth**
managed funds