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Ku-ring-gai

Financial Services Limited

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ABN: 56 103 129 184

Financial Report

For the half-year ended

31 December 2020

# Ku-ring-gai Financial Services Limited

## Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2020.

### Directors

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

Alan James Bardwell	Christopher Bradley Williamson
Roman Zeno Tarnawsky	Rowenna Margaret Allabush
Sara Adams	Himal Randeniya
John Gallu	Adrian Gordon Fong
Linda June McDonald	Amanda Faith Descoeudres

### Principal activity

The principal activity of the company during the financial period was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited.

### Review of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after the provision of income tax was:

Half-year ended	Half-year ended
31 December 2020	31 December 2019
\$	\$
146,387	91,723

### Events after the end of the reporting period

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

### Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

Signed in accordance with a resolution of the directors at Lindfield, New South Wales.

Director \_\_\_\_\_

  
Roman Zeno Tarnawsky

Dated this 17th day of March 2021

## **Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Ku-ring-gai Financial Services Limited**

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2020 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review
- ii. any applicable code of professional conduct in relation to the review.



**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 17<sup>th</sup> March 2021



**Joshua Griffin**  
Lead Auditor

# Ku-ring-gai Financial Services Limited

## Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2020

	2020 \$	2019 \$
Revenue from contracts with customers	1,134,436	1,131,181
Other revenue *	44,760	24,926
Finance income	8,677	23,490
Employee benefits expense	(585,538)	(616,492)
Charitable donations, sponsorship, advertising and promotion	(60,430)	(82,628)
Occupancy and associated costs	(23,066)	(23,422)
Systems costs	(46,979)	(46,891)
Depreciation and amortisation expense	(135,657)	(134,744)
Finance costs	(31,060)	(34,805)
General administration expenses	(119,468)	(112,081)
<b>Profit before income tax</b>	<b>185,675</b>	<b>128,534</b>
Income tax expense	(39,288)	(36,811)
<b>Profit after income tax</b>	<b>146,387</b>	<b>91,723</b>
<b>Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:</b>	<b>146,387</b>	<b>91,723</b>
<b>Earnings per share</b>	<b>¢</b>	<b>¢</b>
- Basic and diluted earnings per share:	6.50	4.07

\* Includes \$37,500 in COVID 19 government support (2019: \$0)

# Ku-ring-gai Financial Services Limited

## Statement of Financial Position

For the half-year ended 31 December 2020

	31-Dec-20	30-Jun-20
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,347,329	2,203,022
Trade and other receivables	210,343	191,172
Current tax asset	-	5,051
<b>Total current assets</b>	<b>2,557,672</b>	<b>2,399,245</b>
<b>Non-current assets</b>		
Property, plant and equipment	83,427	107,188
Right of use assets	1,229,810	1,308,680
Intangible assets	74,000	87,292
Deferred tax assets	105,676	98,866
<b>Total non-current assets</b>	<b>1,492,913</b>	<b>1,602,026</b>
<b>TOTAL ASSETS</b>	<b>4,050,585</b>	<b>4,001,271</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	168,181	171,853
Current tax liabilities	4,158	-
Lease liabilities	186,464	179,081
Employee benefits	185,717	187,620
<b>Total current liabilities</b>	<b>544,520</b>	<b>538,554</b>
<b>Non-current liabilities</b>		
Trade and other payables	30,619	61,237
Lease liabilities	1,132,661	1,209,169
Employee benefits	45,215	42,140
Provisions	46,217	45,205
<b>Total non-current liabilities</b>	<b>1,254,712</b>	<b>1,357,751</b>
<b>TOTAL LIABILITIES</b>	<b>1,799,232</b>	<b>1,896,305</b>
<b>NET ASSETS</b>	<b>2,251,353</b>	<b>2,104,966</b>
<b>EQUITY</b>		
Issued capital	1,258,525	1,258,525
Retained earnings	992,828	846,441
<b>TOTAL EQUITY</b>	<b>2,251,353</b>	<b>2,104,966</b>

The accompanying notes form part of these financial statements

# Ku-ring-gai Financial Services Limited

## Statement of Changes in Equity

For the half-year ended 31 December 2020

	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2019</b>	1,258,525	765,151	2,023,676
Total comprehensive income for the half-year	-	91,723	91,723
<b>Balance at 31 December 2019</b>	<b>1,258,525</b>	<b>856,874</b>	<b>2,115,399</b>
<b>Balance at 1 July 2020</b>	1,258,525	846,441	2,104,966
Total comprehensive income for the half-year	-	146,387	146,387
<b>Balance at 31 December 2020</b>	<b>1,258,525</b>	<b>992,828</b>	<b>2,251,353</b>

# Ku-ring-gai Financial Services Limited

## Statement of Cash Flows

For the half-year ended 31 December 2020

	2020	2019
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	1,276,795	1,264,297
Payments to suppliers and employees	(944,109)	(941,539)
Lease payments (interest component)	(30,048)	(33,805)
Lease payments not included in the measurement of lease liabilities	(18,946)	(17,771)
Interest received	12,732	26,935
Income taxes paid	(36,889)	(41,672)
<b>Net cash provided by operating activities</b>	<b>259,535</b>	<b>256,445</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(41)	-
Payments for intangible assets	(26,368)	(26,368)
<b>Net cash used in investing activities</b>	<b>(26,409)</b>	<b>(26,368)</b>
<b>Cash flows from financing activities</b>		
Lease payments (principal component)	(88,819)	(82,707)
<b>Net cash used in financing activities</b>	<b>(88,819)</b>	<b>(82,707)</b>
<b>Net cash increase in cash held</b>	<b>144,307</b>	<b>147,370</b>
Cash and cash equivalents at the beginning of the financial year	2,203,022	1,997,972
<b>Cash and cash equivalents at the end of the half-year</b>	<b>2,347,329</b>	<b>2,145,342</b>

# Ku-ring-gai Financial Services Limited

## Notes to the Financial Statements

For the half-year ended 31 December 2020

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### Note 1. Summary of significant accounting policies

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#### Statement of Compliance

This general purpose financial report has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

#### Basis of preparation

This financial report is intended to provide users with an update on the latest annual financial statements and does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by the company during the period.

#### Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial report and the previous corresponding interim period.

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

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### Note 2. Events subsequent to reporting date

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There have been no events subsequent to reporting date that would materially affect the financial statements at the reporting date.

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### Note 3. Contingent assets and liabilities

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There were no contingent assets or liabilities at the date of this report to affect the financial statements.

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### Note 4. Related parties

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Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2020 annual financial report.

# Ku-ring-gai Financial Services Limited

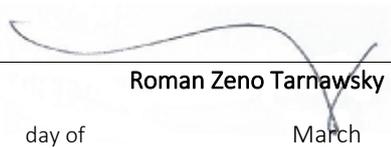
## Directors' Declaration

In the opinion of the directors of Ku-ring-gai Financial Services Limited ("the company"):

1. The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
  - a. giving a true and fair view of the financial position of the entity as at 31 December 2020 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
  - b. complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director



Roman Zeno Tarnawsky

Dated this 17th day of March 2021.

## Independent auditor's review report to the directors of Ku-ring-gai Financial Services Limited

### Report on the half-year financial report

#### Conclusion

We have reviewed the half-year financial report of Ku-ring-gai Financial Services Limited, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Ku-ring-gai Financial Services Limited does not comply with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position at 31 December 2020 and of its performance for the half-year ended on that date
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud error.

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 17<sup>th</sup> March 2021



**Joshua Griffin**  
Lead Auditor