

Ku-ring-gai Financial Services Limited

ABN 56 103 129 184

Half-year Financial Report - 31 December 2024

**Ku-ring-gai Financial Services Limited**  
**Directors' report**  
**31 December 2024**

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2024.

**Directors**

The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

David Andrew Langdon  
Julie Fidler  
Jennifer Gai Anderson

Geoffrey John Crittenden (*Resigned 4 February 2025*)  
Kristyn Ann Haywood (*Appointed 29 July 2024*)

**Principal activity**

The principal activity of the company during the financial half-year was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

**Review of operations**

The profit for the company after providing for income tax amounted to \$495,238 (31 December 2023: \$548,388).

**Significant changes in the state of affairs**

During the period the company extended the Lindfield Branch lease for a further 3-years to November 2028. This has increased the company's right of-use assets and lease liabilities.

There were no other significant changes in the state of affairs of the company during the financial half-year.

**Matters subsequent to the end of the financial half-year**

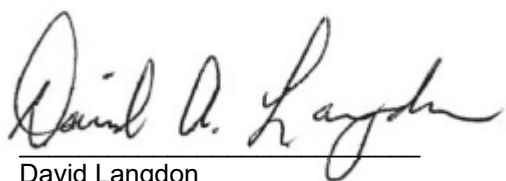
No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



David Langdon  
Chair

27 February 2025



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
afs@afsbendigo.com.au  
03 5443 0344

## 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 2024 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name and address.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 27<sup>th</sup> February 2025

A handwritten signature in black ink, appearing to read 'Lachlan Tatt', is positioned above the printed name and title.

**Lachlan Tatt**  
**Lead Auditor**

**Ku-ring-gai Financial Services Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2024**

	<b>Note</b>	<b>31-Dec-24</b> <b>\$</b>	<b>31-Dec-23</b> <b>\$</b>
Revenue from contracts with customers	4	1,477,466	1,535,067
Other revenue		3,512	3,510
Finance revenue		91,792	78,007
Total revenue		<u>1,572,770</u>	<u>1,616,584</u>
Employee benefits expense		(535,592)	(498,865)
Advertising and marketing costs		(94,677)	(54,061)
Occupancy and associated costs		(18,854)	(29,913)
Systems costs		(24,403)	(41,232)
Depreciation and amortisation expense		(67,106)	(70,192)
Finance costs		(8,626)	(7,017)
General administration expenses		(103,359)	(154,351)
Total expenses before community contributions and income tax		<u>(852,617)</u>	<u>(855,631)</u>
<b>Profit before community contributions and income tax expense</b>		720,153	760,953
Charitable donations, sponsorships and grants expense		<u>(58,012)</u>	<u>(32,800)</u>
<b>Profit before income tax expense</b>		662,141	728,153
Income tax expense		<u>(166,903)</u>	<u>(179,765)</u>
<b>Profit after income tax expense for the half-year</b>		495,238	548,388
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the half-year</b>		<u><u>495,238</u></u>	<u><u>548,388</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		22.00	24.36
Diluted earnings per share		22.00	24.36

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Ku-ring-gai Financial Services Limited**  
**Statement of financial position**  
**As at 31 December 2024**

	<b>31-Dec-24</b>	<b>30-Jun-24</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	902,854	989,016
Trade and other receivables	333,684	339,126
Investments	3,084,087	3,084,087
Current tax assets	89,156	15,932
Total current assets	<u>4,409,781</u>	<u>4,428,161</u>
<b>Non-current assets</b>		
Property, plant and equipment	15,688	14,813
Right-of-use assets	495,549	145,798
Intangibles	52,772	59,774
Deferred tax assets	49,817	56,829
Total non-current assets	<u>613,826</u>	<u>277,214</u>
<b>Total assets</b>	<u>5,023,607</u>	<u>4,705,375</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	176,853	208,944
Lease liabilities	119,993	132,930
Employee benefits	82,214	110,431
Total current liabilities	<u>379,060</u>	<u>452,305</u>
<b>Non-current liabilities</b>		
Trade and other payables	30,559	45,838
Lease liabilities	410,003	45,767
Employee benefits	3,761	2,715
Provisions	29,544	33,091
Total non-current liabilities	<u>473,867</u>	<u>127,411</u>
<b>Total liabilities</b>	<u>852,927</u>	<u>579,716</u>
<b>Net assets</b>	<u>4,170,680</u>	<u>4,125,659</u>
<b>Equity</b>		
Issued capital	1,258,525	1,258,525
Retained earnings	<u>2,912,155</u>	<u>2,867,134</u>
<b>Total equity</b>	<u>4,170,680</u>	<u>4,125,659</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Ku-ring-gai Financial Services Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2024**

	Note	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2023</b>		1,258,525	2,225,918	3,484,443
Profit after income tax expense		-	548,388	548,388
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	548,388	548,388
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	5	-	(431,308)	(431,308)
<b>Balance at 31 December 2023</b>		<u>1,258,525</u>	<u>2,342,998</u>	<u>3,601,523</u>
 <b>Balance at 1 July 2024</b>		 1,258,525	 2,867,134	 4,125,659
Profit after income tax expense		-	495,238	495,238
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	495,238	495,238
<i>Transactions with owners in their capacity as owners:</i>				
Dividends provided for or paid	5	-	(450,217)	(450,217)
<b>Balance at 31 December 2024</b>		<u>1,258,525</u>	<u>2,912,155</u>	<u>4,170,680</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Ku-ring-gai Financial Services Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2024**

	<b>Note</b>	<b>31-Dec-24</b> <b>\$</b>	<b>31-Dec-23</b> <b>\$</b>
<b>Cash flows generated from operating activities</b>			
Receipts from customers (inclusive of GST)		1,638,122	1,736,864
Payments to suppliers and employees (inclusive of GST)		(1,062,105)	(1,026,879)
Interest received		106,647	69,502
Income taxes paid		(233,115)	(47,110)
Net cash generated from operating activities		<u>449,549</u>	<u>732,377</u>
<b>Cash flows from investing activities</b>			
Redemption of/(investment in) term deposits		-	(217,900)
Payments for property, plant and equipment		(3,203)	(1,213)
Payments for intangible assets		(13,890)	-
Net cash used in investing activities		<u>(17,093)</u>	<u>(219,113)</u>
<b>Cash flows from financing activities</b>			
Interest and other finance costs paid		(7,933)	(6,186)
Dividends paid	5	(450,217)	(431,308)
Repayment of lease liabilities		(60,468)	(70,861)
Net cash used in financing activities		<u>(518,618)</u>	<u>(508,355)</u>
Net increase/(decrease) in cash and cash equivalents		(86,162)	4,909
Cash and cash equivalents at the beginning of the financial half-year		<u>989,016</u>	<u>953,083</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>902,854</u></u>	<u><u>957,992</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

# Ku-ring-gai Financial Services Limited

## Notes to the financial statements

### 31 December 2024

#### Note 1. Material accounting policy information

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis for the interim half-year reporting period ending 31 December 2024.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

#### Note 2. Economic dependency

The company has entered into a franchise agreement with Bendigo Bank that governs the management of the Community Bank. The company is economically dependent on the ongoing receipt of revenue under the franchise agreement. The franchise agreement expires in October 2028.

The directors have a reasonable expectation that a new franchise agreement will be signed prior to the expiry date.

#### Note 3. Change to comparative figures

##### *Classification of term deposits*

In the 30 June 2024 financial statements the directors disclosed a change in classification of term deposits to align the accounting policy with the requirements of AASB 107 Statement of Cash Flows.

The change in classification had the following impacts on comparative figures:

- Opening and closing cash balances were reduced to exclude term deposits with initial investment periods greater than three months as reported in the Statement of cash flows.
- Investments in and redemptions of term deposits with initial investment periods greater than three months are now classified within investment activities as reported in the Statement of cash flows.

#### Note 4. Revenue from contracts with customers

	31-Dec-24 \$	31-Dec-23 \$
Margin income	1,337,181	1,417,831
Fee income	50,215	51,078
Commission income	90,070	66,158
Revenue from contracts with customers	<u>1,477,466</u>	<u>1,535,067</u>

##### *Disaggregation of revenue*

The company's franchise agreement with Bendigo Bank provides for a share of interest margin, fee and commission revenue to be earned by the company on the outstanding portfolio of loans, deposits and other business that it has sourced. The company acts as an agent under the franchise agreement with revenue being recognised at a point in time during the reporting period.

#### Note 5. Dividends

The following dividends were declared and paid to shareholders during the financial half-year as presented in the Statement of changes in equity and Statement of cash flows.



**Ku-ring-gai Financial Services Limited**  
**Notes to the financial statements**  
**31 December 2024**

**Note 5. Dividends (continued)**

	31-Dec-24 \$	31-Dec-23 \$
Fully franked dividends totalling 20 cents per share (31-Dec-23: 19.16 cents)	<u>450,217</u>	<u>431,308</u>
The tax rate at which dividends have been franked is 25%.		

**Note 6. Contingent assets and liabilities**

There were no contingent assets or liabilities at the date of this report.

**Note 7. Related party transactions**

There were no related party transactions during the half-year ended 31 December 2024.

**Note 8. Events after the reporting date**

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

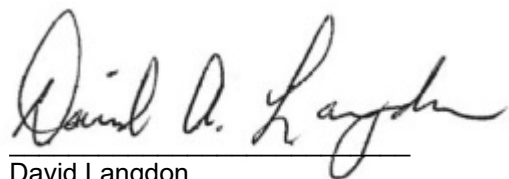
**Ku-ring-gai Financial Services Limited**  
**Directors' declaration**  
**31 December 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'David A. Langdon', written over a horizontal line.

David Langdon  
Chair

27 February 2025



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
afs@afsbendigo.com.au  
03 5443 0344

# 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 (the company), which comprises the statement of financial position as at 31 December 2024, 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 material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of Ku-ring-gai Financial Services Limited does not present fairly, in all material respects, the company's financial position at 31 December 2024, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001* and 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 and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.



Andrew Frewin Stewart  
61 Bull Street Bendigo VIC 3550  
ABN: 65 684 604 390  
afs@afsbendigo.com.au  
03 5443 0344

## 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 anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, in accordance 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart'.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo Vic 3550  
Dated: 27<sup>th</sup> February 2025

A handwritten signature in black ink, appearing to read 'Lachlan Tatt'.

**Lachlan Tatt**  
Lead Auditor