

**Ku-ring-gai Financial Services Limited**  
**ABN 56 103 129 184**  
**Condensed Financial Statements**  
**Directors' Report**

Your Directors submit the financial report of the company for the half year ended 31 December 2003.

**Directors**

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

David Andrew Langdon	Consultant (Retired)	Chairman of Directors
Glen James Armstrong	Info Technology Consultant	Convenor, Human Resources Committee Convenor, Information Technology Committee
David Alan Croston	Media Executive	Convenor, Marketing & Promotions Committee
Gregory John Edwards	Software Engineer	Convenor, Interim Operations Committee
James Alan Loxton	Barrister	Convenor, Audit & Governance Committee
Matthew Grant Martin	Managing Director, Retailer	Convenor, Fit-out Committee
Adrian John Snelson	Accountant	Convenor, Finance & Budget Committee
Lorraine Frances Dawe	Principal, Licensed Real Estate	
Arthur Wendelin Stautner	Baker	
Philip Andrew Young	Pharmacist	

All directors have been in office since the start of the financial year unless otherwise stated.

**Principal activities**

The principal activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

**Review and results of operations**

Operations have continued to perform in line with expectations. The net loss of the company for the financial period was: (\$103,939).

**Matters subsequent to 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.

Signed in accordance with a resolution of directors  
on 5 March 2004.



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David Langdon, Chairman



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John Snelson, Director

**Ku-ring-gai Financial Services Limited**  
**ABN 56 103 129 184**  
**Condensed Statement of Financial Performance**  
**for the half-year ended 31 December 2003**

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	16,067	-
Other revenue	9,571	
Salaries and employee benefit expense	(76,125)	-
Depreciation and amortisation expense	(10,488)	-
Borrowing expense	(52)	
Other expenses from ordinary activities	<u>(86,109)</u>	<u>-</u>
<b>Loss from ordinary activities before income tax expense</b>	<b>(147,136)</b>	<b>-</b>
Income tax credit relating to ordinary activities	<u>43,197</u>	<u>-</u>
<b>Net loss attributable to members of the entity</b>	<b><u>(103,939)</u></b>	<b><u>-</u></b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b><u><u>(103,939)</u></u></b>	<b><u><u>-</u></u></b>

*The accompanying notes form part of these financial statements.*

**Ku-ring-gai Financial Services Limited**  
**ABN 56 103 129 184**  
**Condensed Statement of Financial Position**  
**as at 31 December 2003**

	<b>31-Dec 2003 \$</b>	<b>30-Jun 2003 \$</b>
<b>Current Assets</b>		
Cash assets	398,242	683,640
Receivables	26,373	14,101
<b>Total Current Assets</b>	<u>424,615</u>	<u>697,741</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	225,696	-
Deferred tax asset	61,446	18,249
Intangible assets	56,000	59,145
<b>Total Non-Current Assets</b>	<u>343,142</u>	<u>77,394</u>
<b>Total Assets</b>	<u>767,757</u>	<u>775,135</u>
<b>Current Liabilities</b>		
Payables	37,732	27,106
Provisions	5,300	-
<b>Total Current Liabilities</b>	<u>43,032</u>	<u>27,106</u>
<b>Current Liabilities</b>		
Interest bearing liabilities	23,636	-
<b>Total Non-Current Liabilities</b>	<u>23,636</u>	<u>-</u>
<b>Total Liabilities</b>	<u>66,668</u>	<u>27,106</u>
<b>Net Assets</b>	<u>701,089</u>	<u>748,029</u>
<b>Equity</b>		
Issued capital	848,464	791,465
Accumulated losses	(147,375)	(43,436)
<b>Total Equity</b>	<u>701,089</u>	<u>748,029</u>

*The accompanying notes form part of these financial statements.*

**Ku-ring-gai Financial Services Limited**  
**ABN 56 103 129 184**  
**Condensed Statement of Cash Flows**  
**for the half-year ended 31 December 2003**

	<b>2003</b>	<b>2002</b>
	\$	\$
<b>Cash Flows From Operating Activities</b>		
Cash receipts in the course of operations	13,687	-
Cash payments in the course of operations	(145,069)	-
Interest paid	(52)	-
Interest received	11,951	-
<b>Net cash flows used in operating activities</b>	<u>(119,483)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant and equipment	(246,551)	-
<b>Net cash flows used in investing activities</b>	<u>(246,551)</u>	<u>-</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from borrowings	23,636	-
Proceeds of share subscriptions	57,000	-
<b>Net cash flows provided by financing activities</b>	<u>80,636</u>	<u>-</u>
<b>Net decrease in cash held</b>	<b>(285,398)</b>	-
Cash at the beginning of the financial year	683,640	-
<b>Cash at the end of the financial year</b>	<u><u>398,242</u></u>	<u><u>-</u></u>

*The accompanying notes form part of these financial statements .*

**Ku-ring-gai Financial Services Limited**  
**ABN 56 103 129 184**  
**Notes to the condensed financial statements**  
**For the half-year ended 31 December 2003**

## **1. Basis of preparation of the Half-Year Financial Statements**

### **Basis of accounting**

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

It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2003 and any public announcements made by Ku-ring-gai Financial Services Ltd during the half year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half year condensed financial statements are a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2003 financial statements.

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

## **2. Events subsequent to Reporting Date**

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

## **3. Contingent Assets and Liabilities**

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

## **4. Segment Reporting**

The economic entity operates in the financial services sector where it provides community banking services under management rights to operate a franchised branch of Bendigo Bank Limited. The economic entity operates in one geographic area being Turramurra, NSW.

## **5. Comparative Figures**

Comparatives have not been provided for half-year ended 31 December 2002 as the company had not commenced operations at that time.

**Ku-ring-gai Financial Services Limited**  
**ABN 56 103 129 184**  
**Condensed Financial Statements**  
**Directors' Declaration**

In accordance with a resolution of the directors of Ku-ring-gai Financial Services Limited, we state that:

- (a) the Financial Statements and notes of the company:
- (i) give a true and fair view of the company's financial position as at 31 December 2003 and its performance for the half-year ended on that date; and
  - (ii) comply with Accounting Standard AASB 1029, "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



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David Langdon, Chairman



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John Snelson, Director

Dated this 5th day of March 2004

**Independent Review Report to the Members  
of Ku-ring-gai Financial Services Limited**

*Scope*

We have reviewed the attached financial report of Ku-ring-gai Financial Services Limited for the half year ended 31 December 2003.

The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" issued in Australia and other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to meet its obligations to lodge the financial report with the Australian Securities and Investments Commission.

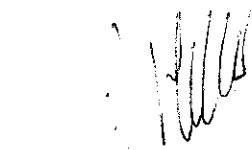
Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries to the company's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

*Statement*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Ku-ring-gai Financial Services Limited is not in accordance with:

- a) the Corporations Act 2001, including:
  - i. giving a true and fair view of the entity's financial position as at 31 December 2003 and of its performance for the half year ended on that date; and
  - ii. complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations; and
- b) other mandatory professional reporting requirements.

**ANDREW FREWIN & STEWART**



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**David Hutchings**

**Partner**

**BENDIGO, 9 March 2004**