

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 2004.

Directors

David Andrew Langdon
Chairman
Consultant

David Alan Croston
Director
Media Executive

Gregory John Edwards
Director - Interim Operations Committee Convenor
Software Engineer

James Alan Loxton
Director - Audit & Governance Committee Convenor
Barrister

Matthew Grant Martin
Director - Fit-out Committee Convenor
Managing Director, Retail

Adrian John Snelson
Director - Finance & Budget Committee Convenor
Accountant

David Francis Cardigan Thomas
Director - Strategic Planning & Business Development
Committee Convenor
Consultant

Geoffrey John Crittenden
Director (*Appointed 17 November 2004*)
Human Resources Committee Convenor
Managing Director, Human Resources

Christopher Thomas Curran
Director (*Appointed 17 November 2004*)
Education Consultant

Bruce William Hall
Director (*Appointed 17 November 2004*)
Business Consultant

Philip Andrew Young
Director (*Retired 17 November 2004*)
Pharmacist

Lorraine Frances Dawe
Director (*Retired 17 November 2004*)
Principal, Licensed Real Estate

Arthur Wendelin Stautner
Director (*Retired 17 November 2004*)
Baker

Directors were in office for this entire 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.

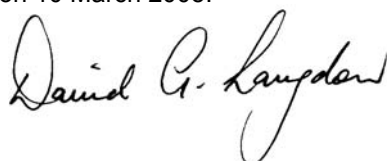
Review and results of operations

Operations have continued to perform in line with expectations. The net loss of the company for the financial period was: \$86,640 (2003: \$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 the Directors at Turramurra, NSW
on 10 March 2005.



David A Langdon, Chairman



A 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 2004

	2004	2003
	\$	\$
Revenue from ordinary activities	154,506	16,067
Other revenue	7,099	9,571
Salaries and employee benefit expense	(142,373)	(76,125)
Occupancy and associated expense	(48,188)	(30,943)
Depreciation and amortisation expense	(13,198)	(10,488)
Borrowing expense	(853)	(52)
Other expenses from ordinary activities	<u>(71,431)</u>	<u>(55,166)</u>
Loss from ordinary activities before income tax credit	(114,438)	(147,136)
Income tax credit relating to ordinary activities	<u>27,798</u>	<u>43,197</u>
Net loss attributable to members of the entity	<u>(86,640)</u>	<u>(103,939)</u>
Total changes in equity other than those resulting from transactions with owners as owners	<u><u>(86,640)</u></u>	<u><u>(103,939)</u></u>

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 2004

	31-Dec 2004	30-Jun 2004	31-Dec 2003
	\$	\$	\$
Current Assets			
Cash assets	191,277	297,022	398,242
Receivables	26,143	18,204	26,373
Total Current Assets	<u>217,420</u>	<u>315,226</u>	<u>424,615</u>
Non-Current Assets			
Property, plant and equipment	221,111	228,308	225,696
Intangible assets	44,000	50,000	56,000
Deferred tax assets	125,303	97,505	61,446
Total Non-Current Assets	<u>390,414</u>	<u>375,813</u>	<u>343,142</u>
Total Assets	<u>607,834</u>	<u>691,039</u>	<u>767,757</u>
Current Liabilities			
Payables	18,159	13,624	37,732
Interest bearing liabilities	4,684	4,494	-
Provisions	10,700	9,600	5,300
Total Current Liabilities	<u>33,543</u>	<u>27,718</u>	<u>43,032</u>
Non-Current Liabilities			
Interest bearing liabilities	14,478	16,868	23,636
Total Non-Current Liabilities	<u>14,478</u>	<u>16,868</u>	<u>23,636</u>
Total Liabilities	<u>48,021</u>	<u>44,586</u>	<u>66,668</u>
Net Assets	<u>559,813</u>	<u>646,453</u>	<u>701,089</u>
Equity			
Issued capital	883,965	883,965	848,464
Accumulated losses	(324,152)	(237,512)	(147,375)
Total Equity	<u>559,813</u>	<u>646,453</u>	<u>701,089</u>

Ku-ring-gai Financial Services Limited
ABN 56 103 129 184
Condensed Statement of Cash Flows
For the half-year ended 31 December 2004

	2004	2003
	\$	\$
Cash Flows From Operating Activities		
Cash receipts in the course of operations	146,597	13,687
Cash payments in the course of operations	(255,537)	(145,069)
Interest paid	(853)	(52)
Interest received	7,099	11,951
Net cash flows used in operating activities	<u>(102,694)</u>	<u>(119,483)</u>
Cash Flows From Investing Activities		
Payments for property, plant and equipment	-	(246,551)
Net cash flows used in investing activities	<u>-</u>	<u>(246,551)</u>
Cash Flows From Financing Activities		
Proceeds from borrowings	-	23,636
Repayment of borrowings	(3,051)	-
Proceeds of share subscriptions	-	57,000
Net cash flows provided by/(used in) financing activities	<u>(3,051)</u>	<u>80,636</u>
Net decrease in cash held	(105,745)	(285,398)
Cash at the beginning of the period	297,022	683,640
Cash at the end of the period	<u>191,277</u>	<u>398,242</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 2004

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 2004 and any public announcements made by Ku-ring-gai Financial Services Limited 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 2004 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 banking services to its clients. The economic entity operates in one geographic area being Turramurra, New South Wales.

5. Dividends Paid

No dividends have been paid since commencement of operations.

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 2004 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.



David A Langdon, Chairman



A John Snelson, Director

Dated this 10th day of March 2005

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 2004.

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 2004 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



David Hutchings
Partner
BENDIGO, 11 March 2005