



Notification of half yearly reports

If there is insufficient space in any section of the form, you may attach an annexure and submit as part of this lodgement

Lodgement details

An image of this form will be available as part of the public register.

Who should ASIC contact if there is a query about this form?

ASIC registered agent number (if applicable)

Firm/organisation

KU-RING-GAI FINANCIAL SERVICES LIMITED

Contact name/position description

JULIE FIDLER/ COMPANY SECRETARY

Telephone number (during business hours)

(02) 9988 4118

Email address (optional)

SECRETARY@KFSL.COM.AU

Postal address

PO BOX 430

Suburb/City

TURRAMURRA

State/Territory

NSW

Postcode

2074

1 Disclosing entity

Entity type (select one)

Company

Company name

KU-RING-GAI FINANCIAL SERVICES LIMITED

ACN

103 129 184

Body (other than a company)

Name

ARBN (if applicable)

Registered scheme

Name

ARSN

2 Financial period

From

0 1 / 0 7 / 1 5
 [D] [D] / [M] [M] / [Y] [Y]

to

3 1 / 1 2 / 1 5
 [D] [D] / [M] [M] / [Y] [Y]

3 Certification

I certify that the attached documents comprise the half yearly reports together with every other document that is required to be lodged with the reports by a disclosing entity under the *Corporations Act 2001*.

Signature

This form is to be signed by:

if a company or a body: a director or secretary or the equivalent

if a registered scheme: a director or secretary of the responsible entity acting in that capacity.

Name of responsible entity

KU-RING-GAI FINANCIAL SERVICES LIMITED

ACN

103 129 184

Name of person signing

JULIE FIDLER

Capacity

COMPANY SECRETARY

Signature



Date signed

0 3 / 0 3 / 1 6
[D D] [M M] [Y Y]

Lodgement

Send completed and signed forms to:
Australian Securities and Investments Commission,
PO Box 4000, Gippsland Mail Centre VIC 3841.

Or lodge the form electronically via Standard Business Reporting
enabled accounting software. Refer to www.sbr.gov.au for more
details.

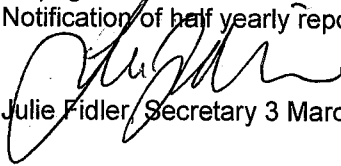
For more information

Web www.asic.gov.au

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Telephone 1300 300 630

This is annexure A of this and attached
12 pages referred to in form 7051
Notification of half yearly Reports


Julie Fidler, Secretary 3 March 2016

Ku-ring-gai
Financial Services Limited
Financial Statements
for the half-year ended
31 December 2015

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

Your directors submit the financial report of the company for the half-year ended 31 December 2015.

Directors

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

David Lawrence Pegley

Roman Zeno Tarnawsky

Sara Adams

John Gallu

Nirmal Singh Hansra

Ian Langford-Brown

Linda June McDonald

Christopher Bradley Williamson

Alan James Barwell (*appointed 27 July 2015*)

Allan Peter Millard (*resigned 27 July 2015*)

Dina Teitler Coppel (*resigned 30 November 2015*)

Principal Activities

The principal activities of the company during the course of the financial period were facilitating **Community Bank®** services under management rights to operate franchised branches of Bendigo and Adelaide Bank Limited.

Review and Results of Operations

The results for the comparative half years can be summarised as follows:

	Dec-15	Dec-14	Change
	\$000	\$000	(%)
Revenue	954	989	(4%)
Operating surplus	190	60	217%
Community investment	33	24	38%
Profit before income tax expense	157	36	336%
Portfolio (\$ million)	330	316	5%

In a highly competitive and low interest rate financial services sector, the company's revenue decreased by 4% but total banking portfolio increased by 5%.

Operating surplus tripled due mainly to lower employee and systems costs.

Despite contribution towards community investment through donations, grants and sponsorships increasing by 38%, profit before tax increased over four fold.

Profit after tax for the half year was \$111,776 (2014: \$26,007).

In consideration of this strong trading performance, the Board has declared a dividend of 4.5 cents (June 2015: 4 cents) per share \$101,299 (June 2015: \$90,043).

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.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Signed in accordance with a resolution of the directors at Lindfield, New South Wales on 29 February 2016.



David Lawrence Pegley, Chairman



Nirmal Singh Hansra, Director

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 2015 there have been no contraventions of:

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



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 29 February 2016



David Hutchings
Lead Auditor

Ku-ring-gai Financial Services Limited
ABN 56 103 129 184
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2015

	2015	2014
	\$	\$
Revenue from ordinary activities	954,165	989,445
Employee benefits expense	(398,023)	(531,661)
Charitable donations, sponsorship, advertising and promotion	(66,261)	(54,678)
Occupancy and associated costs	(144,138)	(140,960)
Systems costs	(57,069)	(89,481)
Depreciation and amortisation expense	(37,681)	(39,153)
Finance costs	-	(620)
General administration expenses	(93,806)	(97,327)
	<hr/>	<hr/>
Profit before income tax expense	157,187	35,565
Income tax expense	(45,411)	(9,558)
	<hr/>	<hr/>
Profit after income tax expense	111,776	26,007
	<hr/>	<hr/>
Total comprehensive income for the year attributable to members	111,776	26,007
	<hr/> <hr/>	<hr/> <hr/>
Earnings per Share	¢	¢
Basic from profit for the period:	4.97	1.16

The accompanying notes form part of these financial statements.

Ku-ring-gai Financial Services Limited
ABN 56 103 129 184
Balance Sheet
as at 31 December 2015

	31-Dec 2015	30-Jun 2015
	\$	\$
ASSETS		
Current Assets		
Cash assets	1,164,992	976,457
Trade and other receivables	208,083	175,464
Total Current Assets	<u>1,373,075</u>	<u>1,151,921</u>
Non-Current Assets		
Trade and other receivables	25,000	50,000
Property, plant and equipment	294,751	317,457
Intangible assets	77,800	92,776
Deferred tax asset	27,304	51,339
Total Non-Current Assets	<u>424,855</u>	<u>511,572</u>
Total Assets	<u>1,797,930</u>	<u>1,663,493</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	96,539	67,136
Current tax liabilities	54,992	24,100
Provisions	59,550	75,588
Total Current Liabilities	<u>211,081</u>	<u>166,824</u>
Non-Current Liabilities		
Trade and other payables	-	24,528
Provisions	45,550	42,618
Total Non-Current Liabilities	<u>45,550</u>	<u>67,146</u>
Total Liabilities	<u>256,631</u>	<u>233,970</u>
Net Assets	<u>1,541,299</u>	<u>1,429,523</u>
Equity		
Issued capital	1,258,525	1,258,525
Retained earnings	282,774	170,998
Total Equity	<u>1,541,299</u>	<u>1,429,523</u>

The accompanying notes form part of these financial statements.

Ku-ring-gai Financial Services Limited
ABN 56 103 129 184
Statement of Changes in Equity
for the half-year ended 31 December 2015

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2014	1,258,525	177,827	1,436,352
Total comprehensive income for the year	<u>-</u>	<u>26,007</u>	<u>26,007</u>
	1,258,525	203,834	1,462,359
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2014	<u>1,258,525</u>	<u>203,834</u>	<u>1,462,359</u>
Balance at 1 July 2015	1,258,525	170,998	1,429,523
Total comprehensive income for the year	<u>-</u>	<u>111,776</u>	<u>111,776</u>
	1,258,525	282,774	1,541,299
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2015	<u>1,258,525</u>	<u>282,774</u>	<u>1,541,299</u>

The accompanying notes form part of these financial statements.

Ku-ring-gai Financial Services Limited
ABN 56 103 129 184
Statement of Cash Flows
for the half-year ended 31 December 2015

	2015	2014
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	1,015,183	1,064,804
Payments to suppliers and employees	(874,794)	(992,696)
Interest paid	-	(620)
Interest received	13,630	14,149
Income taxes refunded	9,516	-
Net cash provided by operating activities	<u>163,535</u>	<u>85,637</u>
Cash Flows From Investing Activities		
Loans advanced	-	(75,000)
Loans repaid	25,000	-
Net cash provided by/(used in) investing activities	<u>25,000</u>	<u>(75,000)</u>
Cash Flows From Financing Activities		
Repayment of borrowings	-	(3,653)
Net cash provided by/(used in) financing activities	<u>-</u>	<u>(3,653)</u>
Net increase in cash held	188,535	6,984
Cash at the beginning of the financial year	976,457	966,267
Cash at the end of the half-year	<u><u>1,164,992</u></u>	<u><u>973,251</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 financial statements
for the half-year ended 31 December 2015

Note 1. Summary of Significant Accounting Policies

Statement of Compliance

The half-year financial statements are a general purpose financial report 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

The half-year 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 2015 and any public announcements made by the company during the period.

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 statements 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.

There are no new and revised Accounting Standards or amendments thereof and Interpretations effective for the current reporting period relevant to the company that were not disclosed in the annual financial report for the year ended 30 June 2015.

Note 2. Events Subsequent to Reporting Date

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

Note 3. Contingent Assets and Liabilities

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

Note 4. Segment Reporting

The economic entity operates in a single service sector where it facilitates community banking services in Turrumurra and Lindfield, New South Wales pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 5. Related Parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2015 annual financial report.

Ku-ring-gai Financial Services Limited
ABN 56 103 129 184
Notes to the financial statements
for the half-year ended 31 December 2015

Note 6. Dividends Paid/Provided

	2015	2014
	\$	\$
Dividends proposed and not recognised as a liability		
Fully franked dividend - 4.5 cents (2014: - cents) per share	<u>101,299</u>	<u>Nil</u>
Dividends proposed will be franked at a rate of 30% (2014: 30%).		

Ku-ring-gai Financial Services Limited
ABN 56 103 129 184
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 2015 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.

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

This declaration is made in accordance with a resolution of the board of directors.



David Lawrence Pegley, Chairman



Nirmal Singh Hansra, Director

Dated this 29th day of February 2016.

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

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Ku-ring-gai Financial Services Limited, which comprises the balance sheet as at 31 December 2015, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the half-year 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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, 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 2015 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.

As the auditor of Ku-ring-gai Financial Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

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 the *Corporations Act 2001* including:

- a) giving a true and fair view of the company's financial position at 31 December 2015 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.



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 29 February 2016



David Hutchings
Lead Auditor