

# Half year report to 31 December 2022 for APS Savings Limited



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**APS Savings Ltd 2022 Half Year Report**

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## Directors' Report

The Directors of APS Savings Ltd present their report together with the Financial Statements for the half-year ended 31 December 2022. The Company is registered under the Corporations Act 2001.

### Directors' details

The Directors in office at any time during, or since the end of the half year are:

Name and Qualifications	Experience and Special Responsibilities
<p><b>Kaye Kieni</b>, Age 59 Chair, B.Bus (Acc), GDip Information Systems, Master of Information Systems Management, Certificate in Governance and Risk Management, FCPA, MAICD Appointed as a non-executive Director in October 2014 and Chair in November 2020</p>	<p>Company Director Ex Director, Finance, Productivity Commission 33 years' experience Audit Finance and Governance Committee Director of parent – APS Benefits Group Ltd and its subsidiaries - APS Financial Planning Pty Ltd, APS Tax, Accounting and Business Services Pty Ltd, and APS Wills and Estates Pty Ltd. Director of related entities APS Benevolent Foundation Ltd and APS Benevolent Fund Ltd</p>
<p><b>Sharon Morris</b>, Age 51 Director, BA (Psych &amp; Politics), GDip Public Relations and Counselling, MAICD Appointed as a non-executive Director in October 2014</p>	<p>General Manager for Australia and New Zealand, Chartered Institute of Procurement &amp; Supply (CIPS) 28 years' experience Director of parent – APS Benefits Group Ltd</p>
<p><b>Kate Fazio</b>, Age 37 Director, BA (Media &amp; Comms), B Laws (Hons), GDip Legal Practice, GCert Social Impact, Master of Social Impact and Philanthropy Appointed as a non-executive Director in October 2016</p>	<p>Head of Innovation and Engagement, Justice Connect 15 years' experience Director of parent – APS Benefits Group Ltd</p>
<p><b>Meg Bonighton</b>, Age 50 Director, B.Bus (Marketing), BA (Politics) Appointed as a non-executive Director in October 2018. Resigned as a Director in December 2022.</p>	<p>Customer Service and Telstra Contact Centres Executive 26 years' experience Director of parent – APS Benefits Group Ltd Audit Finance and Governance Committee</p>
<p><b>Sean Carroll</b>, Age 45 Director, Masters Organisational Psychology (Monash) BA and BCommerce (Monash), GAICD Appointed as a non-executive Director in October 2018</p>	<p>Managing Partner, ByMany Pty Ltd 21 years' experience Director of parent – APS Benefits Group Ltd</p>
<p><b>Tim Chilvers</b>, Age 51 Director, Master of Applied Finance, Diploma of Financial Services, Bachelor of Business Appointed as a non-executive Director in October 2019</p>	<p>Managing Director, Navigate, Evolve, Lead Partner Consultant, Lighthouse Leadership and Development Faculty Head, Australian Institute of Coaching Partner, The Colin James Method 32 years' experience Chair - Audit Finance and Governance Committee Director of parent – APS Benefits Group Ltd Director and Chair Carey Baptist Grammar School</p>
<p><b>Chris Stocks</b>, Age 66 Director, BA (Economics and Statistics - Monash) GDip Public Policy and Management, Cert IV Workplace Assessment and Training, GAICD Appointed as a non-executive Director in October 2020</p>	<p>Consultant – Business Management ex-Public Service Executive 42 years' experience Director of parent – APS Benefits Group Ltd</p>
<p><b>Jo McKennariey</b>, Age 44 Director, Master of Business Administration, Bachelor of Arts in Political Science (Double Major in Public Policy &amp; Industrial Relations), GAICD, CAHRI Appointed as a non-executive Director in February 2023</p>	<p>Managing Director, reDirectional Advisory &amp; Consulting RSPCA QLD: Non-Executive Director and Chair of Community Engagement Committee RSPCA Australia: Non-Executive Director and member of Animal Welfare Ethics Committee 20 years' experience Director of parent – APS Benefits Group Ltd</p>

The Company Secretary in office at the end of the year is:

Craig Walden, B.Bus (Acc), Diploma of Finance and Mortgage Broking Management. Craig has over 38 years' management experience including 11 years as the current Chief Executive Officer of APS Savings Ltd.

## **PRINCIPAL ACTIVITIES AND OBJECTIVES**

The Company's principal activities during the half year were:

- To accept investments in the form of interest-bearing APS Notes and to make loans with interest to the APS Benefits Group Ltd.

APS Savings Limited is a wholly owned subsidiary of the APS Benefits Group Ltd ('the parent') and began trading in April 2012. The Company's strategy is to obtain sufficient funds to meet the demands of the parent.

Key performance indicators regularly reviewed by Directors in relation to the Company's performance include:

- investment and client growth
- profitability compared to budget
- financial and operational performance

## **FINANCIAL RESULTS**

The surplus of the Company for the half-year after providing for income tax amounted to \$1,391,860 (2021: \$1,060,148).

## **SUBSEQUENT EVENTS**

There has not been any matter, or circumstances, occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future years.

## **PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the half-year.

## **ENVIRONMENTAL ISSUES**

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

## **DIVIDENDS**

The Company did not pay dividends in relation to the half-year.

## **SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

No significant changes in state of affairs of the Company occurred during the half-year.

## **OPTIONS, INDEMNITIES AND COURT PROCEEDINGS**

No options over member interests in the Company or a controlled entity were granted during or since the end of the half-year and there were no options outstanding at the date of this report.

No indemnities have been given or insurance premiums paid, except as noted below, during or since the end of the half-year, for any person who is or has been an officer or auditor of the Company.

## **INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS**

During the half-year, the Company paid a premium in respect of a contract insuring the directors (as named above) and company secretary of the Company, and all executive officers of the company and of any related body corporate against a liability incurred as a director, company secretary, or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

The Company has not otherwise, during or since the half year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred by the officer or auditor.

## **DIRECTORS' INTERESTS**

The Directors are entitled to place investments with the Company under the same terms as all other investors. Subject to this, since the end of the previous half-year, no Director of the Company has received, or become entitled to receive any benefit by reason of a contract made by the Company with the Director, or with a Company in which the Director has a substantial interest.

## **DIRECTORS' BENEFITS**

Directors are not remunerated by APS Savings Ltd and do not receive any entitlements from the Company.

**DIRECTORS' MEETINGS**

The number of Board or Committee meetings attended by each of the Directors during the half year are summarised as follows:

	Held	Attended
<b>K Kieni</b>	3	3
<b>S Morris</b>	3	2
<b>K Fazio</b>	3	3
<b>M Bonighton</b>	2	2
<b>S Carroll</b>	3	3
<b>T Chilvers</b>	3	2
<b>C Stocks</b>	3	2

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 5.  
Signed in accordance with a resolution of the Board of Directors:



Chair – K Kieni



Director – C Stocks

Dated this 10th day of March 2023.

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## Auditor's Independence Declaration

### To the Directors of APS Savings Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of APS Savings Limited for the half year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D G Ng  
Partner – Audit & Assurance

Melbourne, 10 March 2023

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the half-year ended 31 December 2022

Income	Note	Half-year ended 31 Dec 2022 \$	Half-year ended 31 Dec 2021 \$
Interest received - APSBS	2	4,945,851	3,732,088
Interest/fees received – other	2	<u>1,212</u>	<u>2</u>
Total income		<u>4,947,063</u>	<u>3,732,090</u>
<b>Expenses</b>			
General administration		(125,049)	(53,977)
Depreciation and amortisation		(974)	(1,082)
Interest - APS Noteholders		<u>(2,965,227)</u>	<u>(2,263,501)</u>
Total expenses		<u>(3,091,250)</u>	<u>(2,318,560)</u>
Profit before tax		<u>1,855,813</u>	<u>1,413,530</u>
Income tax expense		<u>(463,953)</u>	<u>(353,382)</u>
<b>Net profit after tax</b>		<u>1,391,860</u>	<u>1,060,148</u>
<b>Total comprehensive income</b>		<u>1,391,860</u>	<u>1,060,148</u>

**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2022

	Note	at 31 Dec 2022 \$	at 30 June 2022 \$
<b>Current Assets</b>			
Cash and cash equivalents	3	479,973	12,399,409
Trade and other receivables	4	<u>164,528,305</u>	<u>148,124,648</u>
Total Current Assets		165,008,278	160,524,057
<b>Non-current Assets</b>			
Other financial assets		10,000	10,000
Plant and equipment	6	<u>18,505</u>	<u>19,479</u>
Total Non-Current Assets		<u>28,505</u>	<u>29,479</u>
<b>Total Assets</b>		<u>165,036,783</u>	<u>160,553,536</u>
<b>Current Liabilities</b>			
Trade Creditors	5	191,467	35,944
APS Noteholders	5	<u>131,290,914</u>	<u>121,530,776</u>
Total Current Liabilities		131,482,381	121,566,720
<b>Non-Current Liabilities</b>			
APS Noteholders	5	18,163,784	24,988,208
Deferred Tax Liability		<u>5,020</u>	<u>4,870</u>
Total Non-Current Liabilities		<u>18,168,804</u>	<u>24,993,078</u>
<b>Total Liabilities</b>		<u>149,651,185</u>	<u>146,559,798</u>
<b>Net Assets</b>		<u>15,385,598</u>	<u>13,993,738</u>
<b>Equity</b>			
Contributed Equity		4,000,000	4,000,000
Retained Earnings		9,993,738	7,759,051
Current Year Earnings		<u>1,391,860</u>	<u>2,234,687</u>
<b>Total Equity</b>		<u>15,385,598</u>	<u>13,993,738</u>

Notes to the financial statements are included on pages 8 to 10

**STATEMENT OF CHANGES IN EQUITY**

For the Half-Year ended 31 December 2022

	\$ Contributed equity	\$ Retained earnings	\$ Total
Balance at 1 July 2022	4,000,000	9,993,738	<b>13,993,738</b>
Total comprehensive income for the period	-	1,391,860	<b>1,391,860</b>
Balance at 31 December 2022	<b>4,000,000</b>	<b>11,385,598</b>	<b>15,385,598</b>
	\$ Contributed equity	\$ Retained earnings	\$ Total
Balance at 1 July 2021	2,000,000	7,759,051	9,759,051
Additional share capital	2,000,000	-	2,000,000
Total comprehensive income for the period	-	1,060,148	1,060,148
Balance at 31 December 2021	<u>4,000,000</u>	<u>8,819,199</u>	<u>12,819,199</u>

**STATEMENT OF CASH FLOWS**

For the half-year ended 31 December 2022

	Half-year ended 31 Dec 2022 \$	Half-year ended 31 Dec 2021 \$
<b>Operating activities</b>		
Payments to suppliers	(106,349)	(79,864)
Interest paid	(2,950,430)	(2,263,501)
Tax paid	(463,953)	(353,381)
Interest received	<u>7,962,727</u>	<u>5,480,801</u>
Net cash from operating activities	4,441,995	2,784,055
<b>Investing activities</b>		
Deposits from investors	3,057,740	23,953,526
Capital contributions	-	2,000,000
Loan to APS Benefits	<u>(19,419,171)</u>	<u>(32,343,630)</u>
Net cash used in investing activities	(16,361,431)	(6,390,104)
<b>Net change in cash and cash equivalents</b>	(11,919,436)	(3,606,049)
<b>Cash at the beginning of the financial half-year</b>	<u>12,399,409</u>	<u>4,640,032</u>
<b>Cash at the end of the financial half-year</b>	<u>479,973</u>	<u>1,033,983</u>

Notes to the financial statements are included on pages 8 to 10



**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

**Corporate Information**

APS Savings Ltd (APSS) is a company limited by shares, incorporated and domiciled in Australia.

**Basis of Preparation**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*.

This half-year financial report does not include notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

The half-year financial report was approved by the Board of Directors on 10<sup>th</sup> March 2023.

**Significant Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the Company's last annual financial report for the year ended 30 June 2022.

There are no new or amended accounting standards effective for the current period that are relevant to the Company.

**Going concern**

The financial statements have been prepared assuming the Company is a going concern. In order for the Company to continue to operate as a going concern, the Company is reliant on the ability to call upon the loan receivable from APS Benefits Group Ltd which amounts to \$164,528,305 (June 2022: \$148,164,648).

	<b>at 31 December 2022</b>	<b>at 31 December 2021</b>
	\$	\$
<b>NOTE 2 INTEREST INCOME</b>		
Interest on loan to APS Benefits	4,945,851	3,732,088
Other interest/income	1,212	2
	<hr/> 4,947,063	<hr/> 3,732,090

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	at 31 December 2022	at 30 June 2022
	\$	\$
<b>NOTE 3 CASH AND CASH EQUIVALENTS</b>		
Cash at Bank	479,973	12,399,409

**NOTE 4 TRADE AND OTHER RECEIVABLES**

<b>CURRENT</b>		
Loan to APS Benefits	164,528,305	148,124,648

Debenture Notes Issued are loaned to the related party APS Benefits Group Ltd at interest.

**NOTE 5 TRADE AND OTHER PAYABLES**

<b>CURRENT</b>		
Trade Creditors	191,467	35,944
Debenture Notes issued	<u>131,290,914</u>	<u>121,530,776</u>
	131,482,381	121,566,720

**NON-CURRENT**

Debenture Notes issued	18,163,784	24,988,208
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The Company accepts investments in the form of interest-bearing Debenture Notes from members and makes loans at interest to related party APS Benefits Group Ltd. The Debenture Notes are repaid to members at the end of the note term.

The Company's obligation to repay is secured by the Company and APS Benefits Group Ltd (APSBG). APSBG has provided a guarantee, supported by a charge over all the present and future property, assets and undertaking of APSBG (including all of its present and future rights in relation to that property, assets and undertaking) wherever situated.

**NOTE 6 PROPERTY, PLANT AND EQUIPMENT**

	Plant and Equipment \$
<b>Gross carrying amount</b>	
Balance at 30 June 2021	<u>47,685</u>
Additions	-
Balance at 30 June 2022	<u>47,685</u>
Additions	-
Balance at 31 December 2022	<u>47,685</u>
<b>Accumulated Depreciation</b>	
Balance at 30 June 2021	<u>26,041</u>
Depreciation expense	<u>2,165</u>
Balance at 30 June 2022	<u>28,206</u>
Depreciation expense	<u>974</u>
Balance at 31 December 2022	<u>29,180</u>
<b>Net Book Value</b>	
As at 30 June 2022	19,479
As at 31 December 2022	<u>18,505</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

**NOTE 7 SEGMENT REPORTING**

There is only one reportable segment based on the aggregation criteria in AASB 8. The business operates only within Australia.

**NOTE 8 CONTINGENT LIABILITIES**

The Directors are not aware of any contingent liabilities that the Company needs to provide for.

**NOTE 9 SHARE CAPITAL**

The share capital of APS Savings Ltd consists only of fully paid ordinary shares or funds received for ordinary shares not yet issued.

	<b>No. of Shares 31/12/2022</b>	<b>No. of Shares 30/6/2022</b>	<b>31 Dec 22 \$</b>	<b>30 June 22 \$</b>
Share capital beginning of the period	4,000,000	1,000,000	4,000,000	1,000,000
Shares issued	-	3,000,000	-	3,000,000
Share capital end of the period	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>

The Company issued 1,000,000 ordinary shares to the parent entity, APS Benefits Group Ltd on 4 August 2021, and a further 2,000,000 ordinary shares were issued on 19 October 2021.

**NOTE 10 EVENTS AFTER THE REPORTING DATE**

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**DIRECTORS' DECLARATION**

The Directors declare that:

- The financial statements and notes, as set out on pages 6 to 10, are in accordance with the *Corporations Act 2001*:
  - comply with accounting standards and the Corporations Regulations 2001 and Australian Accounting Standard AASB134 'Interim Financial Reporting'; and
  - give a true and fair view of the entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
- In the Directors' opinion there are reasonable grounds to believe that the entity 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 made pursuant to Section 303(5) of the Corporations Act 2001.



Chair – K Kieni



Director – C Stocks

Dated this 10th day of March 2023.

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## Independent Auditor's Report

### To the Members of APS Savings Limited

#### Report on the half year financial report

##### Conclusion

We have audited the accompanying half year financial report of APS Savings Limited (the Company), which comprises the statement of financial position as at 31 December 2022 and 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 description of accounting policies, other selected explanatory notes, and the Directors' Declaration.

In our opinion, the accompanying half-year financial report of the Company complies with the *Corporations Act 2001* including:

- a giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### **Directors' responsibility for the half-year financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D G Ng  
Partner – Audit & Assurance

Melbourne, 10 March 2023