

East Gosford and Districts Financial Services Limited
Financial Statements
as at
31 December 2013

East Gosford and Districts Financial Services Limited
ABN 90 092 538 620
Directors' Report

Your Directors submit the financial report of the Company for the half year ended 31 December 2013.

Directors

The names of directors who held office during or since the end of the half-year:

Maxwell Robert Hiron (Chairman)

Brian Wilfred Lindbeck (Treasurer)

Kenneth George Howes

Colin Moran

Theo Reginald Glover

Garry Samuel Morris

John Kevin Coman

Directors were in office for this entire period unless otherwise stated.

Principal activities

The principal activities of the Company during the course of the financial period were providing community banking services under management rights to operate a franchised branch of Bendigo & Adelaide 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 \$30,850 (2012: \$22,195 profit).

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.

East Gosford and Districts Financial Services Limited
ABN 90 092 538 620
Directors' Report


Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report.

Auditor's independence declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 3 for the half year ended 31 December 2013.

The director's report is signed in accordance with a resolution of the Board of Directors at East Gosford Community Financial Services Limited on 10 March 2014.



Brian Lindbeck, Treasurer



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

Level 2, 10-16 Forest Street
Bendigo, Victoria
PO Box 30, Bendigo, VIC 3550

Telephone: (03) 5443 4200
Fax: (03) 5443 4144
Email: rsd@rsdadvisors.com.au

www.rsdadvisors.com.au

Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of East Gosford Community Services Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

P. P. Delahunty
Partner
Level 2, 10-16 Forest Street
Bendigo VIC 3550

Dated, 10 March 2014

East Gosford and Districts Financial Services Limited
ABN 90 092 538 620
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2013

	31-Dec 2013 \$	31-Dec 2012 \$
Revenue	848,275	955,979
Other revenue	7,288	5,797
Employee benefits expense	(577,970)	(576,421)
Depreciation and amortisation expense	(36,381)	(41,495)
Rental expense	(78,957)	(75,994)
Other expenses from ordinary activities	<u>(183,089)</u>	<u>(205,359)</u>
Profit/(Loss) before charitable donations & sponsorships	(20,834)	62,507
Charitable donations and sponsorship	<u>(19,996)</u>	<u>(29,780)</u>
Profit/(Loss) before income tax	(40,830)	32,727
Income tax expense/(benefit)	<u>9,980</u>	<u>(10,532)</u>
Profit/(Loss) for the period	(30,850)	22,195
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>(30,850)</u>	<u>22,195</u>
Earnings per share (cents per share)		
- basic earnings per share	(3.10)	2.23
- diluted earnings per share	(3.10)	2.23

The accompanying notes form part of these financial statements

East Gosford and Districts Financial Services Limited
ABN 90 092 538 620
Statement of Financial Position
as at 31 December 2013

	31-Dec 2013 \$	30-Jun 2013 \$
ASSETS		
Current Assets		
Cash and cash equivalents	431,022	481,998
Trade and other receivables	161,381	163,078
Other	25,201	-
Total Current Assets	<u>617,604</u>	<u>645,076</u>
Non-Current Assets		
Property, plant and equipment	151,118	158,267
Investments	17,961	17,961
Intangible assets	65,046	76,208
Total Non-Current Assets	<u>234,125</u>	<u>252,436</u>
Total Assets	<u>851,729</u>	<u>897,512</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	90,555	93,778
Current tax payable	-	(3,514)
Provisions	149,308	136,582
Total Current Liabilities	<u>239,863</u>	<u>226,846</u>
Non-Current Liabilities		
Provisions	60,064	58,170
Total Non-Current Liabilities	<u>60,064</u>	<u>58,170</u>
Total Liabilities	<u>299,927</u>	<u>285,016</u>
Net Assets	<u>551,802</u>	<u>612,496</u>
Equity		
Issued capital	709,669	709,669
Accumulated losses	(157,867)	(97,173)
Total Equity	<u>551,802</u>	<u>612,496</u>

The accompanying notes form part of these financial statements

East Gosford and Districts Financial Services Limited
ABN 90 092 538 620
Statement of Changes In Equity
for the half-year ended 31 December 2013

		Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2012		709,669	(87,729)	621,940
Total comprehensive income for the period		-	22,195	22,195
Transactions with owners in their capacity as owners:				
Shares issued during the period		-	-	-
Dividends recognised for the period	5	<u>-</u>	<u>(39,552)</u>	<u>(39,552)</u>
Balance at 31 December 2012		<u>709,669</u>	<u>(105,086)</u>	<u>604,583</u>
 Balance at 1 July 2013		 709,669	 (97,173)	 612,496
Total comprehensive income for the period		-	(30,850)	(30,850)
Transactions with owners in their capacity as owners:				
Shares issued during the period		-	-	-
Dividends recognised for the period	5	<u>-</u>	<u>(29,844)</u>	<u>(29,844)</u>
Balance at 31 December 2013		<u>709,669</u>	<u>(157,867)</u>	<u>551,802</u>

The accompanying notes form part of these financial statements

East Gosford and Districts Financial Services Limited
ABN 90 092 538 620
Statement of Cash Flows
for the half-year ended 31 December 2013

	31-Dec 2013 \$	31-Dec 2012 \$
Cash Flows From Operating Activities		
Receipts from customers	850,657	958,993
Payments to suppliers and employees	(848,615)	(895,465)
Interest received	6,316	4,856
Income tax paid	<u>(11,420)</u>	<u>(9,606)</u>
Net cash flows from / (used in) operating activities	<u>(3,062)</u>	<u>58,778</u>
Cash Flows From Investing Activities		
Payments for intangibles	(15,400)	(15,235)
Purchase of property, plant and equipment	<u>(2,670)</u>	<u>-</u>
Net cash flows used in Investing activities	<u>(18,070)</u>	<u>(15,235)</u>
Cash Flows From Financing Activities		
Dividends paid	<u>(29,844)</u>	<u>(39,552)</u>
Net cash flows used in financing activities	<u>(29,844)</u>	<u>(39,552)</u>
Net increase / (decrease) in cash held	(50,976)	3,991
Cash and cash equivalents at beginning of period	<u>481,998</u>	<u>435,238</u>
Cash and cash equivalents at end of period	<u><u>431,022</u></u>	<u><u>439,229</u></u>

The accompanying notes form part of these financial statements

East Gosford and Districts Financial Services Limited
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2013

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of East Gosford Community Financial Services Limited ("the Company"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2013, together with any public announcements made during the following half-year.

(b) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied to the most recent annual financial statements.

(c) Critical accounting estimates and judgements

The critical estimates and judgements are consistent with those applied and disclosed in the June 2013 annual report.

(d) New and revised accounting requirements applicable to the current half year reporting period

For the half year reporting period to 31 December 2013, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Company. A discussion of these new and revised requirements that are relevant to the Company is provided below:

Fair Value Measurements and disclosures

The Company has adopted AASB 13: Fair Value Measurement and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB 13* from July 1 2013 together with consequential amendments to other Standards. These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Company for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value. Although these Standards do not significantly impact the fair value amounts reported in the Company's financial statements, the directors have determined that additional accounting policies providing a general description of fair value measurement and each level of the fair value hierarchy should be incorporated in these financial statements.

Other

Other new and amending Standards that became applicable to the Group for the first time during this half-year reporting period are as follows:

AASB 2012-2: Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities and *AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*.

East Gosford and Districts Financial Services Limited
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2013

(d) New and revised accounting requirements applicable to the current half year reporting period (continued)

These Standards make changes to presentation and disclosure requirements, but did not affect the Company's accounting policies or the amounts reported in the financial statements.

AASB 119: Employee Benefits (September 2011) and *AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119* (September 2011).

These Standards did not affect the Company's accounting policies or the amounts reported in the financial statements, mainly because the Company does not have defined benefit plan assets or obligations.

The Company has not elected to adopt any other new standards or amendments that are issued but not yet effective.

2. Events after the End of the Interim Period

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

Since the last annual reporting date there has been no material change of any contingent assets or contingent liabilities.

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 Central Coast, NSW.

5. Dividends paid during the half year

	<u>2013</u>	<u>2012</u>
Final franked dividend for the year ended 30 June 2013 of 3 cents (2012: 4 cents)	\$29,844	\$39,552

6. Analysis of other comprehensive income

There was no other comprehensive income during the reporting period.

East Gosford and Districts Financial Services Limited
ABN 90 092 538 620
Directors Declaration
for the half-year ended 31 December 2013

In accordance with a resolution of the directors of East Gosford Community Financial Services Limited the directors of the Company declare that:

- (1) The financial statements and notes, as set out on pages 4 to 9 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134, "Interim Financial Reporting"; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.
- (2) In the directors opinion there are reasonable grounds to believe that the Company 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


.....
Brian Lindbeck, Treasurer

Signed 10 March 2014

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
EAST GOSFORD AND DISTRICT FINANCIAL SERVICES LIMITED**

Report on the Half-year Financial Report

We have reviewed the accompanying half year financial report of East Gosford and District Financial Services Limited, which comprises the Condensed Statement of Financial Position as at 31 December 2013, the Condensed Statement of Profit or Loss and Other Comprehensive Income, Condensed Statement of Changes in Equity, and Condensed 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 East Gosford and District Financial Services Limited 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 Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 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 *Corporations Act 2001* including: giving a true and fair view of East Gosford and District Financial Services Limited's financial position as at 31 December 2013 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 East Gosford and District 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written auditor's independence declaration, a copy which is included in the director's report.

Conclusion

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 East Gosford and District Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of East Gosford and District Financial Services Limited's financial position as at 31 December 2013 and of its performance for the half year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Richmond Sinnott & Delahunty
Chartered Accountants



P. P. Delahunty
Partner
Level 2, 10 – 16 Forest Street
Bendigo VIC 3550

Dated: 10 March 2014