

East Gosford & Districts Financial Services Ltd
90 092 538 620

Financial Report

As at 31 December 2016

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Directors' Report

The Directors present their report of East Gosford & Districts Financial Services Ltd ('the Company') for the period ended 31 December 2016.

Directors

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

Gary Samuel Morris
Brian Wilfred Lindbeck
Kenneth George Howes
John Kevin Coman
Simone Elizabeth Lenihan
Mark Francis Cotter
Stephen David McIntosh (Resigned 15th July 2016)
James Renshaw Chaplin

Principal activities

The principal activities of the Company during the course of the financial period were providing community banking services under managements rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Review and results of operations

Operations have continued to perform in line with expectations. The net profit after income tax of the company for the financial period was \$30,724 (December 2015: \$34,885 Loss).
Renewal of the Bendigo and Adelaide Bank Limited Franchise Fee Agreement was signed during the period, being of significant benefit to the Company.

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.

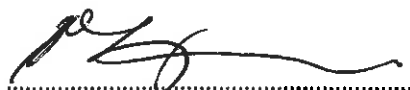
Significant changes in the state of affairs

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 2 for the half year ended 31 December 2016.

The director's report is signed in accordance with a resolution of the Board of Directors at East Gosford on the 7th of March 2017.



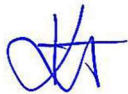
Brian Lindbeck
Director
Dated: 15th March 2017

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016 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**



**Kathie Teasdale
Partner**

Dated: 15 March 2017

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2016

	31 Dec 2016	31 Dec 2015
	\$	\$
Revenue	982,109	862,691
Expenses		
Employee benefits expense	581,717	560,044
Depreciation and amortisation	22,217	29,984
Administration and general costs	51,133	42,469
Bad and doubtful debts expense	433	313
Occupancy expenses	104,265	99,900
IT costs	33,117	32,156
Marketing and Advertising	28,314	21,814
Other expenses	88,072	89,876
	<u>909,267</u>	<u>876,556</u>
Profit / (loss) before charitable donations & sponsorships	<u>72,842</u>	<u>(13,865)</u>
Charitable donations and sponsorship	20,817	19,745
Profit / (loss) before income tax	<u>52,025</u>	<u>(33,610)</u>
Income tax expense	21,301	1,275
Profit / (loss) for the period	<u>30,724</u>	<u>(34,885)</u>
Profit / (loss) attributable to members of the company	30,724	(34,885)
Total comprehensive income attributable to members of the company	<u><u>30,724</u></u>	<u><u>(34,885)</u></u>
Earnings per share (cents per share)		
- basic earnings per share	3.09	(3.51)

The accompanying notes form part of these financial statements

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Statement of Financial Position
as at 31 December 2016

	31 Dec 2016 \$	30 Jun 2016 \$
ASSETS		
Current Assets		
Cash and cash equivalents	185,087	213,301
Trade and other receivables	204,366	194,979
Investments	318,305	314,205
Other assets	28,480	22,616
Total Current Assets	736,238	745,101
Non-Current Assets		
Investments	17,961	17,961
Property, plant and equipment	128,658	130,331
Intangible assets	137,655	156,849
Deferred tax assets	75,175	94,136
Total Non-Current Assets	359,448	399,277
Total Assets	1,095,686	1,144,378
LIABILITIES		
Current Liabilities		
Trade and other payables	233,639	319,723
Current Tax Liability	2,126	
Provisions	259,998	237,788
Total Current Liabilities	495,763	557,511
Non-Current Liabilities		
Provisions	30,502	28,272
Total Non-Current Liabilities	30,502	28,272
Total Liabilities	526,265	585,783
Net Assets	569,422	558,595
Equity		
Issued capital	709,669	709,669
Retained earnings / Accumulated losses	(140,247)	(151,074)
Total Equity	569,422	558,595

The accompanying notes form part of these financial statements

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Statement of Changes in Equity
for the half-year ended 31 December 2016

	Note	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2015		709,669	(151,964)	557,705
Loss for the half year		-	(34,885)	(34,885)
Balance at 31 December 2015		<u>709,669</u>	<u>(186,849)</u>	<u>522,820</u>
Balance at 1 July 2016		709,669	(151,074)	558,595
Profit for the half year		-	30,724	30,724
Dividends recognised for the period	5	-	(19,897)	(19,897)
Balance at 31 December 2016		<u>709,669</u>	<u>(140,247)</u>	<u>569,422</u>

The accompanying notes form part of these financial statements

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Statement of Cash Flows
for the half-year ended 31 December 2016

	31 Dec 2016 \$	31 Dec 2015 \$
Cash Flows From Operating Activities		
Receipts from customers	967,246	915,609
Payments to suppliers and employees	(918,672)	(916,119)
Interest received	5,043	4,514
Income tax paid	-	6,753
Net cash flows from operating activities	53,617	10,757
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(1,350)	-
Purchase of Intangibles	(56,484)	-
Purchase of investments	(4,100)	(5,502)
Net cash flows from used in investing activities	(61,934)	(5,502)
Cash Flows From Financing Activities		
Dividends paid	(19,897)	-
Net cash flows used in financing activities	(19,897)	-
Net increase / (decrease) in cash held	(28,214)	5,255
Cash and cash equivalents at beginning of period	213,301	131,642
Cash and cash equivalents at end of period	185,087	136,897

The accompanying notes form part of these financial statements

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2016

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 2016 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard *AASB 134: Interim Financial Reporting*. East Gosford & Districts Financial Services Ltd is a for-profit entity for financial reporting purposes under Australian

This interim financial report is intended to provide users with an update on the latest annual financial statements of East Gosford & Districts 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 2016, together with any public announcements made during the following half-year.

(b) Accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2016.

(c) Critical accounting estimates and judgements

The critical judgements, estimates and assumptions applied in the interim financial statements were the same as those applied in the entity's last annual financial statements for the year ended 30 June 2016.

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

The Company has considered the implications of any new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

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 Company operates in the financial services sector where it provides banking services under managements rights of Bendigo and Adelaide Bank Limited. The Company operates in the geographic area of East Gosford, NSW.

5. Dividends

	2016	2015
Final fully franked dividend for the year ended 30 June 2016 of 2 cents (2015: Nil)	19,896	-

6. Earnings per share

Basic earnings per share (cents)	3.09	(3.51)
Earnings used in calculating basic earnings per share	30,724	(34,885)
Weighted average number of ordinary shares used in calculating basic earnings per share.	994,812	994,812

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Directors Declaration
for the half-year ended 31 December 2016

In the opinion of the directors of East Gosford & Districts Financial Services Limited:

- (1) The financial statements and notes, as set out on pages 3 to 7 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 2016 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
Director

Signed at East Gosford on the 15h March 2017.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the directors of East Gosford & Districts Financial Services Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of East Gosford & Districts Financial Services Limited, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and the 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 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 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 financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of East Gosford & Districts 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 other 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

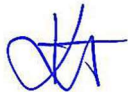
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of East Gosford & Districts Financial Services Limited, would be in the same terms if given to the directors as at the time of this auditor'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 & Districts Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard *AASB 134 Interim Financial Reporting* and *Corporations Regulations 2001*.

Richmond Sinnott & Delahunty
Chartered Accountants



Kathie Teasdale
Partner

Dated: 15 March 2017