

East Gosford & District Financial Services Ltd

Interim Financial Report

For the Period Ended 31 December 2017

East Gosford & District Financial Services Ltd

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For the Period Ended 31 December 2017

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East Gosford & District Financial Services Ltd

Directors' Report

31 December 2017

The directors submit the interim financial report of the East Gosford & Districts Financial Services Ltd (the company) for the period ended 31 December 2017.

Information on directors

The names of each person who has been a director during the period and to the date of this report are:

Garry Morris

Brian Lindbeck

Kenneth Howes

John Coman

James Chaplin

Sue Chidgey

Simone Lenihan - Resigned July 2017

Principal activities and significant changes in nature of activities

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

There were no significant changes in the nature of the company's principal activities during the financial period.

Review and results of operations

The profit of the company amounted to \$ 96,066, after providing for income tax. This represented a 213% increase on the results reported for the period ended 31 December 2016. The significant growth was due to the signing of a new franchise agreement which resulted in a more favourable share of revenue to the company, along with significant business growth over the past 5 years to compliment the change in revenue model.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the company during the period.

Matters or circumstances arising after the end of the year

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

East Gosford & District Financial Services Ltd

Directors' Report

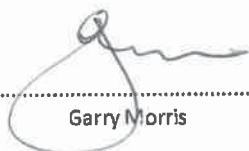
31 December 2017

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the period ended 31 December 2017 has been received and can be found on page 3 of the interim financial report.

This report is signed in accordance with a resolution of the Board of directors.

Director:

A handwritten signature in black ink, appearing to read 'Garry Morris', is written over a dotted line. The signature is stylized with a large loop at the beginning and a wavy end.

Garry Morris

Dated: 06 March 2018



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Bendigo, Victoria
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Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of East Gosford & District Financial Services Limited

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2017 there have been no contraventions of:

- (i) The auditor independence requirements 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.

RSD Audit

A handwritten signature in blue ink, appearing to read 'Kathie Teasdale'.

Kathie Teasdale
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 9 March 2018



East Gosford & District Financial Services Ltd

Interim Statement of Profit or Loss and Other Comprehensive Income For the Period Ended 31 December 2017

		31 December 2017	31 December 2016
	Note	\$	\$
Revenue		1,140,266	982,109
Employee benefits expense		(662,608)	(597,328)
Depreciation and amortisation expense		(22,618)	(22,217)
Occupancy expenses		(110,342)	(101,582)
Marketing and advertising		(30,289)	(28,314)
IT expenses		(27,554)	(33,117)
Freight, cartage and delivery		(11,888)	(22,866)
Insurance		(18,252)	(12,075)
Bad debts		(64)	(433)
Other expenses		(116,744)	(91,335)
		(1,000,359)	(909,267)
Profit before donations, sponsorship and income tax		139,907	72,842
Charitable donations and sponsorship		(19,270)	(20,817)
Profit before income tax		120,637	52,025
Income tax expense		(24,571)	(21,301)
Profit for the period		96,066	30,724
Total comprehensive income for the year		96,066	30,724
Earnings per share			
Basic earnings per share (cents)	4	9.66	3.09

The accompanying notes form part of these financial statements.

East Gosford & District Financial Services Ltd

Interim Statement of Financial Position

As At 31 December 2017

	31 December 2017 \$	30 June 2017 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	329,945	242,001
Trade and other receivables	210,790	210,964
Other financial assets	326,455	318,305
Other assets	24,027	22,401
TOTAL CURRENT ASSETS	891,217	793,671
NON-CURRENT ASSETS		
Other financial assets	17,961	17,961
Property, plant and equipment	130,260	129,937
Deferred tax assets	81,815	78,572
Intangible assets	108,617	118,461
TOTAL NON-CURRENT ASSETS	338,653	344,931
TOTAL ASSETS	1,229,870	1,138,602
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	147,074	177,037
Current tax liabilities	65,192	28,533
Employee benefits	289,904	277,397
TOTAL CURRENT LIABILITIES	502,170	482,967
NON-CURRENT LIABILITIES		
Employee benefits	3,826	2,960
TOTAL NON-CURRENT LIABILITIES	3,826	2,960
TOTAL LIABILITIES	505,996	485,927
NET ASSETS	723,874	652,675
EQUITY		
Issued capital	709,669	709,669
Retained earnings / (Accumulated losses)	14,205	(56,994)
TOTAL EQUITY	723,874	652,675

The accompanying notes form part of these financial statements.

East Gosford & District Financial Services Ltd

Interim Statement of Changes in Equity

For the Period Ended 31 December 2017

	Note	Ordinary Shares \$	Retained Earnings / (Accumulated Losses) \$	Total \$
Balance at 1 July 2017		709,669	(56,990)	652,679
Profit attributable to members of the company		-	96,066	96,066
Transactions with owners in their capacity as owners				
Dividends provided for or paid	5	-	(24,871)	(24,871)
Balance at 31 December 2017		709,669	14,205	723,874

	Note	Ordinary Shares \$	Retained Earnings / (Accumulated Losses) \$	Total \$
Balance at 1 July 2016		709,669	(151,074)	558,595
Profit attributable to members of the company		-	30,727	30,727
Transactions with owners in their capacity as owners				
Dividends provided for or paid	5	-	(19,897)	(19,897)
Balance at 31 December 2016		709,669	(140,244)	569,425

The accompanying notes form part of these financial statements.

East Gosford District Financial Services Ltd

Interim Statement of Cash Flows for the half-year ended 31 December 2017

	Half-Year Ended 31 December 2017 \$	Half-Year Ended 31 December 2016 \$
Cash Flows From Operating Activities		
Receipts from customers	1,132,290	967,246
Payments to suppliers and employees	(1,014,528)	(918,672)
Interest received	8,150	5,043
Net cash flows provided by operating activities	125,912	53,617
Cash Flows From Investing Activities		
Purchase of intangible assets	-	(56,484)
Purchases of property, plant and equipment	(13,097)	(1,350)
Purchase of financial assets	-	(4,100)
Net cash flows used in investing activities	(13,097)	(61,934)
Cash Flows From Financing Activities		
Dividends paid	(24,871)	(19,897)
Net cash flows used in financing activities	(24,871)	(19,897)
Net increase/(decrease) in cash held	87,944	(28,214)
Cash and cash equivalents at beginning of period	242,001	213,301
Cash and cash equivalents at end of period	329,945	185,087

The accompanying notes form part of these financial statements

East Gosford & District Financial Services Ltd

Notes to the Financial Statements

For the Year Ended 31 December 2017

The interim financial report covers the company as an individual entity. The company is a for-profit company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of the company is Australian dollars.

The financial report was authorised for issue by the directors on 16 February 2018.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

This interim financial report for the half-year reporting period ending 31 December 2017 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of the company. As such it does not contain information that represents relatively insignificant changes occurring during the period within the company. This financial report does not include all the notes normally included in an annual financial report. 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 2017, together with any public announcements made during the period.

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 2017.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Franchise Relationship

The company has entered into franchise agreements with Bendigo and Adelaide Bank Limited that govern the management of the **Community Bank®** branches at East Gosford, Lisarow and Kincumber.

All transactions with customers conducted through the **Community Bank®** branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited. Bendigo and Adelaide Bank Limited provides significant assistance in maintaining most aspects of the Company's branches' operations including in relation to design, layout and fit out of the branches, training for employees, procedures for the sale of product and provision of services, security and cash logistics, calculation of revenue, payment of many operating and administrative expenses, advertising and promotional programs and sales techniques and customer relations.

2 Summary of Significant Accounting Policies

(a) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but do not expect the adoption of these standards to have any impact on the reported position or performance of the company.

East Gosford & District Financial Services Ltd

Notes to the Financial Statements

For the Year Ended 31 December 2017

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these interim financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

The directors have not made any significant accounting estimates or judgements which are likely to affect the future results of the company.

4 Earnings Per Share

	31 December 2017	31 December 2016
	\$	\$
Earnings used to calculate overall earnings per share	96,066	30,724
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	994,812	994,812

5 Dividends

	31 December 2017	31 December 2016
	\$	\$
The following dividends were declared and paid: A final fully franked dividend of 2.5 cents per share for the year ended 30 June 2017 was declared in the half year period to 31 December 2017 (2016: 2.0 cents)	24,871	19,896

Franked dividends declared or paid during the period were franked at the tax rate of 27.5%.

6 Contingencies

In the opinion of the directors, the company did not have any contingencies at 31 December 2017 (30 June 2017: None).

7 Events Occurring 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 operations, or the state of affairs of the company in future financial years.

East Gosford & District Financial Services Ltd

Notes to the Financial Statements

For the Year Ended 31 December 2017

8 Statutory Information

The registered office and principal place of business of the company is:

East Gosford & District Financial Services Ltd

101 Victoria Street

East Gosford NSW 2250


East Gosford & District Financial Services Ltd

Directors' Declaration

The directors of the company declare that:

1. The interim 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) give a true and fair view of the company's financial position as at 31 December 2017 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.

Director 
Garry Morris

Dated 06 March 2018

Independent Auditor's Review Report

To the shareholders of East Gosford & District Financial Services Limited.

Report on the half-year financial report

We have reviewed the accompanying Interim Financial Report of East Gosford & District Financial Services Limited.

The Interim Financial Report comprises the interim statement of financial position as at 31 December 2017, the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and consolidated interim 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.

The interim period is the six months ended on 31 December 2017.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of East Gosford & District Financial Services Limited 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 2017 and of its performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 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 the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position as at 31 December 2017 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 & 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 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 & District Financial Services Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

A handwritten signature in blue ink, appearing to read 'K. Teasdale'.

Kathie Teasdale
Partner
RSD Audit

Dated: 9 March 2018