
East Gosford & Districts
Financial Services Limited

ABN: 90 092 538 620

Financial Report
For the half-year ended
31 December 2023

East Gosford & Districts Financial Services Limited

Directors' Report

The directors present their report together with the financial statements of the company for the half-year ended 31 December 2023

Directors

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

Garry Samuel Morris	Linda Cooper
Mark Kevin Holton	Christina Benson
Scott Francis Evans	Elise Willemsen
Carolyn Kay	Emma Mason
Paul McCubbin	Bernadette McLoughlin

Principal activity

The principal activity of the company during the financial period was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited (Bendigo Bank).

Review of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after the provision of income tax was:

Half-year ended 31 December 2023	Half-year ended 31 December 2022
\$ 226,001	\$ 310,091

The Reserve bank of Australia (RBA) increased the cash rate by 2.25% during the previous period from 0.85% to 3.10% at 31 December 2022. Since then the cash rate has increased by 1.25% to 4.35% as at 31 December 2023. The increased cash rate has had a direct impact on the revenue received by the company, increasing the net interest margin income received under the revenue share arrangement the company has with Bendigo Bank.

While the cash rate has increased, from 1 July 2023 Bendigo Bank updated the Funds Transfer Pricing (FTP) base rate on certain deposits which has impacted the income earned on these products.

The Company has invested in its staff (salary increases, training and restructuring) and added additional staff to position the Company for future sustainable growth to take advantage of emerging opportunities. This has led to an increase in employment expenses during the period.

Events after 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.

Auditor's independence declaration

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

Signed in accordance with a resolution of the directors at East Gosford, NSW on 12 March 2024.

Chair



Garry Samuel Morris



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
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(03) 5443 0344

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of East Gosford & Districts Financial Services Ltd

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2023 there have been no contraventions of:

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

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 12 March 2024

A handwritten signature in black ink, appearing to read 'Joshua Griffin', is positioned above the printed name.

Joshua Griffin
Lead Auditor

East Gosford & Districts Financial Services Limited

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Note	31-Dec-23 \$	31-Dec-22 \$
Revenue from contracts with customers	5	1,593,223	1,517,576
Other revenue		11,406	8,551
Employee benefits expense		(835,647)	(718,264)
Advertising and marketing costs		(27,069)	(15,163)
Occupancy and associated costs		(44,203)	(33,221)
Systems costs		(32,743)	(32,423)
Depreciation and amortisation expense		(113,447)	(117,171)
Finance costs		(27,937)	(30,502)
General administration expenses		(130,129)	(127,901)
Profit before community contributions and income tax expense		393,454	451,482
Charitable donations, sponsorships and grants expense		(71,383)	(30,176)
Profit before income tax		322,071	421,306
Income tax expense		(96,070)	(111,215)
Profit after income tax		226,001	310,091
Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:		226,001	310,091
Earnings per share		¢	¢
- Basic and diluted earnings per share:		22.72	31.17

East Gosford & Districts Financial Services Limited

Statement of Financial Position

For the half-year ended 31 December 2023

	31-Dec-23	30-Jun-23
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	310,510	225,754
Trade and other receivables	316,106	302,305
Total current assets	626,616	528,059
Non-current assets		
Property, plant and equipment	462,008	469,958
Right of use assets	776,725	814,951
Intangible assets	61,174	83,944
Investments	1,143,529	914,229
Deferred tax assets	113,247	113,246
Total non-current assets	2,556,683	2,396,328
TOTAL ASSETS	3,183,299	2,924,387
LIABILITIES		
Current liabilities		
Trade and other payables	241,782	140,017
Current tax liabilities	291,757	178,618
Lease liabilities	197,333	139,143
Employee benefits	336,346	337,367
Total current liabilities	1,067,218	795,145
Non-current liabilities		
Trade and other payables	-	45,540
Lease liabilities	643,291	725,222
Employee benefits	12,649	26,334
Provisions	34,508	33,037
Total non-current liabilities	690,449	830,133
TOTAL LIABILITIES	1,757,667	1,625,278
NET ASSETS	1,425,631	1,299,109
EQUITY		
Issued capital	709,669	709,669
Retained earnings	715,962	589,440
TOTAL EQUITY	1,425,631	1,299,109

The accompanying notes form part of these financial statements

East Gosford & Districts Financial Services Limited

Statement of Changes in Equity

For the half-year ended 31 December 2023

		Issued capital	Retained earnings	Total equity
	Note	\$	\$	\$
Balance at 1 July 2022		-	50,705	50,705
Total comprehensive income for the half-year		709,669	310,091	1,019,760
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	6	-	(34,819)	(34,819)
Balance at 31 December 2022		709,669	325,977	1,035,646
Balance at 1 July 2023		709,669	589,440	1,299,109
Total comprehensive income for the half-year		-	226,001	226,001
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	6	-	(99,479)	(99,479)
Balance at 31 December 2023		709,669	715,962	1,425,631

East Gosford & Districts Financial Services Limited

Statement of Cash Flows

For the half-year ended 31 December 2023

	Note	31-Dec-23 \$	31-Dec-22 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,579,422	1,581,193
Payments to suppliers and employees (inclusive of GST)		(1,040,688)	(1,115,327)
Dividends received		11,406	50
Income taxes paid		-	(1,203)
Net cash provided by operating activities		550,140	464,713
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(2,190)
Purchase of financial assets		(229,300)	(302,104)
Payments for intangible assets		(41,400)	(41,400)
Net cash used in investing activities		(270,700)	(345,694)
Cash flows from financing activities			
Repayment of lease liabilities		(95,205)	(93,983)
Dividends paid	6	(99,479)	(34,819)
Net cash used in financing activities		(194,684)	(128,802)
Net cash increase/(decrease) in cash held		84,756	(9,783)
Cash and cash equivalents at the beginning of the financial year		225,754	454,576
Cash and cash equivalents at the end of the half-year		310,510	444,793

East Gosford & Districts Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2023

Note 1. Summary of significant accounting policies

Statement of Compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accrual and historical cost basis.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023.

Accounting policies

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Note 2. Events subsequent to reporting date

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.

Note 3. Contingent assets and liabilities

There were no contingent assets or liabilities at the date of this report that would materially affect the financial statements at the reporting date.

Note 4. Related parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2023 annual financial report.

	31-Dec-23	31-Dec-22
Note 5. Revenue from contracts with customers	\$	\$
Margin income	1,459,002	1,364,682
Fee income	64,794	62,446
Commission income	69,426	90,447
Revenue from contracts with customers	<u>1,593,222</u>	<u>1,517,575</u>

Disaggregation of revenue

All revenue from contracts with customers has been recognised at a point in time during the half-year.

East Gosford & Districts Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2023

Note 6. Dividends	31-Dec-23		31-Dec-22	
	Cents	\$	Cents	\$
a) Dividends provided for and paid during the period				
Fully franked dividend	3.5	34,819	3.5	34,819
Special dividend - fully franked	6.5	64,660	0	-
Total dividends paid during the period	10	99,479	3.5	34,819

The tax rate at which dividends have been franked is 25%.

East Gosford & Districts Financial Services Limited

Directors' Declaration

In the opinion of the directors of East Gosford & Districts Financial Services Ltd("the company"):

1. The financial statements and notes there to 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 2023 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Chair



Garry Samuel Morris

Dated this 12 day of March 2024



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Independent auditor's review report to the Directors of East Gosford & Districts Financial Services Ltd

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of East Gosford & Districts Financial Services Ltd (the company), which comprises the statement of financial position as at 31 December 2023, 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 summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of East Gosford & Districts Financial Services Ltd does not present fairly, in all material respects, the company's financial position at 31 December 2023, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001* and Accounting Standard *AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the of the half-year financial report that is free from material misstatement, whether due to fraud error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.



Andrew Frewin Stewart
61 Bull Street, Bendigo VIC 3550
Dated: 12 March 2024



Joshua Griffin
Lead Auditor