
East Gosford & Districts
Financial Services Ltd

ABN: 90 092 538 620

Financial Report
For the half-year ended
31 December 2022

East Gosford & Districts Financial Services Ltd

Directors' Report

The directors present their report together with the financial statements of the company for the half-year ended 31 December 2022

Directors

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

Garry Morris	Elise Willemsen (Resigned 5/8/2022, Appointed 14/12/2022)
Scott Evans	Emma Mason
Mark Holton	Paul McCubbin
Trevor Gerdson	Christina Benson
Carolyn Kay	Linda Cooper

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) across the greater Gosford area.

Review of operations

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

Half-year ended 31 December 2022	Half-year ended 31 December 2021
\$ 310,091	\$ (41,570)

The company has seen a significant increase in its revenue during the period. This is mostly the result of the Reserve Bank of Australia (RBA) increasing the cash rate by 2.25% during the period moving from 0.85% to 3.10% as at 31 December 2022. 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.

Events after the end of the reporting period

Since the end of the half-year, the RBA has increased the cash rate by 0.50% moving from 3.10% at 31 December 2022 to 3.60% as at the date of signing these accounts. The increase in the cash rate has a direct impact on the revenue received by the company on its products (deposits and loans) offered to its customers. The company expects further increases in the revenue streams based on the recent rises.


There are no other 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, New South Wales on 7 March 2023.

Chair



Garry Morris



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
(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 2022 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: 7 March 2023

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 Ltd

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2022

	31-Dec-22 \$	31-Dec-21 \$
Revenue from contracts with customers	1,517,576	929,140
Other revenue	8,551	29,593
Finance revenue	-	358
Employee benefits expense	(718,264)	(653,308)
Advertising and marketing costs	(15,163)	(13,301)
Occupancy and associated costs	(33,221)	(35,292)
Systems costs	(32,423)	(38,014)
Depreciation and amortisation expense	(117,171)	(108,874)
Finance costs	(30,502)	(30,547)
General administration expenses	(127,901)	(126,486)
Profit/(loss) before community contributions and income tax (expense)/credit	451,482	(46,731)
Charitable donations and sponsorships expense	(30,176)	(7,954)
Profit/(loss) before income tax	421,306	(54,685)
Income tax (expense)/credit	(111,215)	13,115
Profit/(loss) after income tax	310,091	(41,570)
Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:	310,091	(41,570)
Earnings per share	¢	¢
- Basic and diluted earnings/(loss) per share:	31.17	(4.18)

East Gosford & Districts Financial Services Ltd

Statement of Financial Position

For the half-year ended 31 December 2022

	31-Dec-22 \$	30-Jun-22 \$
ASSETS		
Current assets		
Cash and cash equivalents	444,793	454,576
Trade and other receivables	321,615	193,345
Current tax asset	-	16,859
Total current assets	766,408	664,780
Non-current assets		
Other investments	302,604	500
Property, plant and equipment	490,279	513,352
Right of use assets	856,763	853,271
Intangible assets	102,878	121,811
Deferred tax assets	115,034	110,511
Total non-current assets	1,867,558	1,599,445
TOTAL ASSETS	2,633,966	2,264,225
LIABILITIES		
Current liabilities		
Trade and other payables	140,247	133,353
Current tax liabilities	97,677	-
Lease liabilities	134,140	123,553
Employee benefits	351,313	333,351
Total current liabilities	723,377	590,257
Non-current liabilities		
Trade and other payables	45,540	91,080
Lease liabilities	771,140	801,140
Employee benefits	26,001	21,374
Provisions	32,262	-
Total non-current liabilities	874,943	913,594
TOTAL LIABILITIES	1,598,320	1,503,851
NET ASSETS	1,035,646	760,374
EQUITY		
Issued capital	709,669	709,669
Retained earnings	325,977	50,705
TOTAL EQUITY	1,035,646	760,374

The accompanying notes form part of these financial statements

East Gosford & Districts Financial Services Ltd

Statement of Changes in Equity

For the half-year ended 31 December 2022

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2021		709,669	134,311	843,980
Total comprehensive income for the half-year		-	(41,570)	(41,570)
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	5	-	(34,819)	(34,819)
Balance at 31 December 2021		709,669	57,922	767,591
Balance at 1 July 2022		709,669	50,705	760,374
Total comprehensive income for the half-year		-	310,091	310,091
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	5	-	(34,819)	(34,819)
Balance at 31 December 2022		709,669	325,977	1,035,646

East Gosford & Districts Financial Services Ltd

Statement of Cash Flows

For the half-year ended 31 December 2022

	Note	31-Dec-22 \$	31-Dec-21 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,581,193	1,051,557
Payments to suppliers and employees (inclusive of GST)		(1,115,327)	(953,464)
Interest received		-	358
Dividends received		50	574
Income taxes paid		(1,203)	(15,168)
Net cash provided by operating activities		464,713	83,857
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,190)	(32,802)
Purchase of financial assets		(302,104)	-
Payments for intangible assets		(41,400)	(41,400)
Net cash used in investing activities		(345,694)	(74,202)
Cash flows from financing activities			
Repayment of lease liabilities		(93,983)	(86,805)
Dividends paid	5	(34,819)	(34,819)
Net cash used in financing activities		(128,802)	(121,624)
Net cash decrease in cash held		(9,783)	(111,969)
Cash and cash equivalents at the beginning of the financial year		454,576	480,698
Cash and cash equivalents at the end of the half-year		444,793	368,729

East Gosford & Districts Financial Services Ltd

Notes to the Financial Statements

For the half-year ended 31 December 2022

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 2022 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 2022.

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

Since the end of the half-year, the RBA has increased the cash rate by 0.50% moving from 3.10% at 31 December 2022 to 3.60% as at the date of signing these accounts. The increase in the cash rate has a direct impact on the revenue received by the company on its products (deposits and loans) offered to its customers. The company expects further increases in the revenue streams based on the recent rises.

There are no other 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

There were no transactions with related parties during the current and previous financial half-year.

East Gosford & Districts Financial Services Ltd

Notes to the Financial Statements

For the half-year ended 31 December 2022

Note 5. Dividends	31-Dec-22		31-Dec-21	
	Cents	\$	Cents	\$
a) Dividends provided for and paid during the period				
Fully franked dividend	3.5	34,819	3.5	34,819

The tax rate at which dividends have been franked is 25% (2021: 25%).

Note 6. Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are based on the quoted market price at the close of business at the end of the reporting period.
- Level 2 inputs are based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market.
- Level 3 inputs are unobservable inputs for the asset or liability.

At 31 December 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements:				
Assets				
Shares in listed corporations	302,104	-	-	302,104
Shares in unlisted corporations	500	-	-	500
Total assets at fair value	302,604	-	-	302,604

At 30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements:				
Assets				
Shares in unlisted corporations	500	-	-	500
Total assets at fair value	500	-	-	500

There were no transfers between Level 1 and Level 2 during the reporting period. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

East Gosford & Districts Financial Services Ltd

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 2022 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 Morris

Dated this 7 day of March 2023



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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 2022, 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, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of East Gosford & Districts Financial Services Ltd does not comply with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position at 31 December 2022 and of its performance for the half-year ended on that date
- b. complying with 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 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 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 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 2022 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*.

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: 7 March 2023



Joshua Griffin
Lead Auditor