

East Gosford & District Financial Services Ltd

ABN: 90 092 538 620

Interim Financial Report

For the Half-Year Ended 31 December 2019

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

Your directors submit the financial report of the company for the half year ended 31 December 2019.

Directors

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

Brian Lindbeck
Cameron Shepherd
Gary Morris
John Coman
Ken Howes
Mark Holton
Trevor Gerdson
Sarah Brennan (Appointed 03/01/2020)
Scott Evans

Principal activities

The principal activities of the Company during the course of the financial period were providing Community Bank branch services under management rights to operate franchised branches of Bendigo and Adelaide Bank Limited.

Review and results of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period was \$94,003 (2018 profit: \$87,605)

The increase is due to less expenses throughout the half year, specifically community donations and sponsorships.

New Accounting Standards Implemented

The Company has implemented a new accounting standard that is applicable for the current reporting period. AASB 16: Leases has been applied retrospectively using the modified cumulative approach, with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of retained earnings at 1 July 2019. The comparative information has not been restated and continues to be reported under AASB 117 Leases. Please refer to note one of the financial statements for more information.

Matters subsequent to the end of the reporting period

0

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

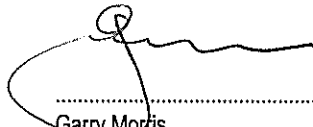
In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report.

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Directors' 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 2019.

The director's report is signed in accordance with a resolution of the Board of Directors at East Gosford on 12th March 2020.


.....
Garry Morris
Director
Dated: 12th March 2020



41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of East Gosford and District Financial Services Limited.

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2019 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 'Katie', is positioned above the printed name of the partner.

Kathie Teasdale
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 12 March 2020

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2019

	Half-Year Ended 31 December 2019 \$	Half-Year Ended 31 December 2018 \$
Revenue	1,130,229	1,153,797
Expenses		
Employment expenses	584,300	647,775
Depreciation and amortisation	102,821	32,104
Occupancy expenses	26,197	124,925
Marketing and advertising	56,362	35,528
IT expenses	29,797	30,940
Freight, cartage and delivery	10,083	9,098
Insurance	14,379	18,615
Bad Debts	2,472	527
Other expenses	131,962	77,280
	<u>958,373</u>	<u>976,792</u>
Profit before charitable donations & sponsorship	<u>171,856</u>	<u>177,005</u>
Charitable donations and sponsorship	35,966	55,873
Profit before income tax	<u>135,890</u>	<u>121,132</u>
Income tax expense	41,887	33,527
Profit for the period	<u>94,003</u>	<u>87,605</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>94,003</u></u>	<u><u>87,605</u></u>
Profit attributable to members of the company	94,003	87,605
Total comprehensive income attributable to members of the company	<u><u>94,003</u></u>	<u><u>87,605</u></u>
Earnings per share (cents per share)		
- basic earnings per share	9.45	8.81

The accompanying notes form part of these financial statements

Statement of Financial Position

as at 31 December 2019

	As at 31 December 2019 \$	As at 30 June 2019 \$
ASSETS		
Current Assets		
Cash and cash equivalents	792,376	486,589
Trade and other receivables	210,143	207,814
Financial assets	-	219,024
Other assets	19,409	19,410
Total Current Assets	1,021,928	932,837
Non-Current Assets		
Financial assets	21,183	25,082
Property, plant and equipment	922,769	126,585
Intangible assets	30,833	41,685
Deferred tax assets	79,746	79,946
Total Non-Current Assets	1,054,531	273,298
Total Assets	2,076,459	1,206,135
LIABILITIES		
Current Liabilities		
Trade and other payables	74,092	75,404
Borrowings	112,428	-
Provisions	284,816	307,359
Current tax liability	38,003	9,812
Total Current Liabilities	509,339	392,575
Non-Current Liabilities		
Borrowings	688,862	-
Provisions	19,201	13,687
Total Non-Current Liabilities	708,063	13,687
Total Liabilities	1,217,402	406,262
Net Assets	859,057	799,873
Equity		
Issued capital	709,669	709,669
Retained earnings	149,388	90,204
Total Equity	859,057	799,873

The accompanying notes form part of these financial statements

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Statement of Changes in Equity
for the half-year ended 31 December 2019

	Note	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2019		709,669	90,204	799,873
<i>Comprehensive income for the half year</i>				
Profit for the half year		-	94,003	94,003
<i>Transactions with owners in their capacity as owners</i>				
Dividends paid or provided	4	-	(34,819)	(34,819)
Balance at 31 December 2019		<u>709,669</u>	<u>149,388</u>	<u>859,057</u>
 Balance at 1 July 2018 (reported)		 709,669	 27,386	 737,055
Change due to the adoption of AASB 9		-	4,001	4,001
Balance at 1 July 2018 (restated)		<u>709,669</u>	<u>31,387</u>	<u>741,056</u>
<i>Comprehensive income for the half year</i>				
Profit for the half year		-	87,605	87,605
<i>Transactions with owners in their capacity as owners</i>				
Dividends paid or provided	4	-	(29,844)	(29,844)
Balance at 31 December 2018		<u>709,669</u>	<u>89,148</u>	<u>798,817</u>

The accompanying notes form part of these financial statements

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Statement of Cash Flows
for the half-year ended 31 December 2019

	Half-Year Ended 31 December 2019 \$	Half-Year Ended 31 December 2018 \$
Cash Flows From Operating Activities		
Receipts from customers	1,123,672	1,250,365
Interest received	4,228	5,718
Payments to suppliers and employees	(876,241)	(1,139,873)
Interest paid	(27,517)	-
Income tax paid	(13,496)	(24,765)
Net cash flows generated by operating activities	<u>210,646</u>	<u>91,445</u>
Cash Flows From Investing Activities		
Proceeds from disposal of financial assets	222,158	711
Purchase of property, plant and equipment	(550)	-
Purchase of intangible assets	(19,800)	(19,800)
Purchase of financial assets	(3,135)	-
Net cash flows from/(used in) investing activities	<u>198,673</u>	<u>(19,089)</u>
Cash Flows From Financing Activities		
Repayment of leases	(68,713)	-
Dividends paid	(34,819)	(29,844)
Net cash flows used in financing activities	<u>(103,532)</u>	<u>(29,844)</u>
Net increase in cash held	<u>305,787</u>	<u>42,512</u>
Cash and cash equivalents at beginning of period	486,589	410,579
Cash and cash equivalents at end of period	<u><u>792,376</u></u>	<u><u>453,091</u></u>

The accompanying notes form part of these financial statements

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2019

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 2019 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 & District Financial Services Ltd ("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 2019, together with any public announcements made during the following half-year.

(b) Accounting policies

With the exception of the below, the interim financial statements have been prepared in accordance with the same accounting policies adopted in the entity's last annual financial statements for the year ended 30 June 2019. Note that the changes in accounting policies specified below only apply to the current period. The accounting policies included in the Company's last annual financial statements for the year ended 30 June 2019 are the relevant policies for the purposes of comparatives.

AASB 16 Leases became mandatorily effective for reporting period beginning on or after 1 January 2019. Accordingly, these standards apply for the first time to this set of financial statements. The nature and effect of changes arising from this standard is summarised in the section below.

New and amended standards adopted as at 1 July 2019

AASB 16 Leases

AASB 16 *Leases* replaces AASB 117 *Leases* and three associated Interpretations. The new standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated, as permitted under the specific transition provisions in the standard.

For contracts in place at the date of initial application, as permitted under the specific transition provisions in the standard, the Company has elected to apply the definition of a lease from AASB 117 and relevant associated interpretations, and has not applied AASB 16 to arrangements that were previously not identified as a lease under AASB 117 and associated interpretations. This means that any contracts that were deemed to not contain a lease under AASB 117 have not been reassessed under AASB 16.

The Company has also elected to not include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 July 2019. Furthermore, at this date, the Company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition as allowed under the transition provisions.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value-assets (less than \$10,000) the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2019

1. Summary of significant accounting policies (continued)

New and amended standards adopted as at 1 July 2019 (continued)

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 6.49%.

The Company has benefited from the use of hindsight for determining lease term when considering options to extend and terminate leases.

The following is a reconciliation of total operating lease commitments at 30 June 2019 to the lease liabilities recognised at 1 July 2019.

Total operating lease commitments disclosed at 30 June 2019	199,369
Other adjustments relating to commitment disclosures (options)	859,481
Operating lease liabilities before discounting	<u>1,058,850</u>
Lease liability discounted using incremental borrowing rate at date of initial application (1 July	870,003
	\$
Lease liability as at 1 July 2019	870,003
Represented by:	
Current lease liabilities	122,710
Non-current lease liabilities	<u>747,293</u>
	<u>870,003</u>

Adjustments recognised in the balance sheet on 1 July 2019

The recognised right-of-use assets relate to the following types of assets:

	31 Dec 2019	1 July 2019
	\$	\$
Properties	799,102	870,003
Total right-of-use assets	<u>799,102</u>	<u>870,003</u>

The change in accounting policy affected the following items in the balance sheet on 1 July

Balance sheet item	Effect	Amount
Property, plant and equipment	Increase	870,003
Lease liabilities	Increase	870,003

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2019

1. Summary of significant accounting policies (continued)

Change in accounting policies

Accounting policy applicable from 1 July 2019

The Company as a lessee

For any new contracts entered into on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net any incentives received).

The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or to the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, the right-of-use assets have been included in property, plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included in borrowings.

Accounting policy applicable before 1 July 2019

The Company as a lessee

Finance leases

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2019

1. Summary of significant accounting policies (continued)

(b) Accounting policies (continued)

Change in accounting policies (continued)

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

See the accounting policy note in the year-end financial statements for the depreciation methods and useful lives for assets held under finance leases. The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Impact of standards issued but not yet applied by the entity

AASB 17 Insurance Contracts

AASB 17 was issued in July 2017 as replacement for AASB 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under AASB 9.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. As the company does not issue any insurance contracts or investment contracts with discretionary participation features, the directors have determined this standard will not affect the company when adopted.

The Company does not intend to adopt the standard before its effective date.

AASB 1059 Service Concession Arrangements: Grantors

The standard applies to both not-for-profit and for-profit public sector entities that are grantors in a service concession arrangement. These are arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector entity for a specified period of time and managing at least some of those services.

As the Company is not a grantor in a service concession arrangement, the Directors have determined this standard will not affect the Company when adopted.

The company does not intend to adopt the standard before its effective date.

(c) Critical accounting estimates and judgements

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2019.

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2019

2. Events after the End of the Interim Period

The Company is embarking on a program to update each of its premises to maintain their appeal to customers and take advantage of modern design and technology. The commitment by the company is to first renovate the East Gosford premises starting in May 2020. The expenditure will be around \$400,000 and will be funded from the cash reserves of the Company. Other than above have been no events subsequent to reporting date that would materially affect 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. Dividends

	\$	\$
A final fully franked dividend of 3.5 cents per share for the year ended 30 June 2019 was declared in the half year period to 31 December 2019 (December 2018: 3 cents per share)	34,819	29,844

5. Earnings per share

Basic earnings per share (cents)	9.45	8.81
Earnings used in calculating basic earnings per share	94,003	87,605
Weighted average number of ordinary shares used in calculating basic earnings per share.	994,812	994,812

6. Fair value measurement

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

The Company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- listed investments

(a) Fair value hierarchy

AASB 13: *Fair value measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- Level 1** - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2** - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3** - Measurements based on unobservable inputs for the asset or liability.

Fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2019

6. Fair value measurement (continued)

b) Fair Value Measurements and the Level of the Fair Value Hierarchy within which the Fair Value Measurements are categorised.

The entity's financial assets and financial liabilities measured and recognised at fair value on a recurring basis are as follows:

Fair Value Measurement at 31 December 2019			
	\$	\$	\$
	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit and loss:			
- Investments in shares of listed companies	21,183	-	-
Total	21,183	-	-
Fair Value Measurements at 30 June 2019			
	\$	\$	\$
	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit and loss:			
- Investments in shares of listed companies	25,082	-	-
Total	25,082	-	-

There have been no transfers between the levels of the fair value hierarchy during the period to 31 December 2019.

The Company did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2019.

c) Valuation Techniques and Inputs Used to Determine Fair Values

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the

- *Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach* converts estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selected a valuation technique, the Company gives priority to these techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Investments in shares of listed companies

Fair values have been determined by reference to their quoted bid prices at the reporting date.

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2019

7. Property, plant & equipment

Property, plant and equipment increased on 1 July 2019 following the adoption of the leasing standard - see note 1(b) for details.

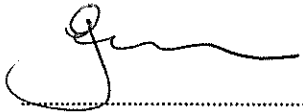
	Leasehold improvements	Furniture and fittings	Right of Use Assets	Total
As at 30 June 2019				
Cost	166,658	355,907	-	522,565
Accumulated depreciation	(52,388)	(343,592)	-	(395,980)
Net carrying value	114,270	12,315	-	126,585
Half year ended 31 December 2019				
Opening carrying value	114,270	12,315	-	126,585
Adjustment for adoption of AASB 16	-	-	870,003	870,003
Restated opening net book amount	114,270	12,315	870,003	996,588
Additions	550	-	-	550
Depreciation	(2,130)	(1,338)	(70,901)	(74,369)
Closing carrying value	112,690	10,977	799,102	922,769
At 31 December 2019				
Cost	167,208	355,907	870,003	1,393,118
Accumulated depreciation	(54,518)	(344,930)	(70,901)	(470,349)
Net carrying value	112,690	10,977	799,102	922,769

East Gosford & District Financial Services Ltd
ABN 90 092 538 620
Directors Declaration
for the half-year ended 31 December 2019

In accordance with a resolution of the Directors of East Gosford & District Financial Services Limited, the Directors of the Company declare that:

- (1) the financial statements and notes set out on pages 4 to 14 are in accordance with the *Corporations Act 2001*, including:
- (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (b) giving a true and fair view of the entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date, 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.


.....

Garry Morris
Director

Signed at East Gosford on 12th March 2020

Independent Auditor's Review Report

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

Report on the half-year financial report

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

The Interim Financial Report comprises the interim statement of financial position as at 31 December 2019, the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and 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 2019.

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 and 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 2019 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:

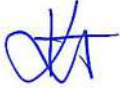
- giving a true and fair view of the company's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 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 and 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 be 'Katie Teasdale'.

Kathie Teasdale
Partner
RSD Audit

Dated: 12 March 2020