

ASIC registered agent number

22769

7051 15 July 2001 1/1

Lodging party or agent name

SEE ACCOUNTING GROUP

office, level, building name or PO Box no.

PO BOX 3268

street number & name

suburb/city

ERINA

state/territory NSW postcode 2250

telephone

(02) 4365 6633

facsimile

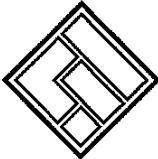
(02) 4365 6622

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suburb/city

Empty rectangular box for stamp or marking.

ASS. CASH. PROC. REQ-A REQ-P checkboxes.



Australian Securities & Investments Commission

notification of

form **7051**

• Half Yearly Reports

(ASX Form 1001)

Corporations Act 2001

(to be lodged within 75 days of the end of the accounting period)

285(2), 286(1), 320

Disclosing entity

Please complete A, B or C.

A a company

name

EAST COSFORD & DISTRICTS FINANCIAL SERVICES LTD

A.C.N.

092 538 620

B a body (other than a company)

name

A.R.B.N. (if applicable)

C a registered scheme

name

A.R.S.N.

Financial period

from

01 / 07 / 05

to

31 / 12 / 05

Certification

I certify that the attached documents comprise the half yearly reports together with every other document that is required to be lodged with the reports by a disclosing entity under the Corporations Act 2001.

Signature

This form is to be signed by:

if a company or a body

a director or secretary or the equivalent

if a registered scheme

a director or secretary of the responsible entity acting in that capacity

name of responsible entity

[Signature]

A.C.N.

name of person signing (print)

BRIAN LINDBECK

capacity DIRECTOR

sign here

[Signature]

date 15 / 3 / 06

Small Business (less than 20 employees), please provide an estimate of the time taken to complete this form

Include

- The time actually spent reading the instructions, working on the question and obtaining the information
- The time spent by all employees in collecting and providing this information

hrs mins

HALF YEARLY REPORTS

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

Your Directors submit their report of the company for the half year ended 31 December 2005.

Directors

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

Robert Geoffrey Rudd

Stephen David McIntosh

Ronald Keith Hincksman

John Gregory Burton

Maxwell Robert Hiron

Brian Wilfred Lindbeck

Warren Neville Price

Barry Kenneth McDonald

Kenneth George Howes

Garry Samuel Morris

Directors were in office for this entire period unless otherwise stated.

Principal activities

The principal activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo 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 \$64,586 (2004: \$23,792).

Matters subsequent to the end of the reporting period

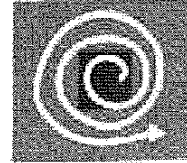
There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

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

Auditor Independence Declaration

The directors received the following independence declaration from the auditor of the company:

Richmond Sinnott & Delahunty
Chartered Accountants



10 Forest Street
PO Box 30
Bendigo, 3552
Ph. 03 5443 1177
Fax. 03 5444 4344
E-mail: rsd@rsdadvisors.com.au

Auditor's Independence Declaration

In relation to our review of the financial report of East Gosford & Districts Financial Services Ltd for the half year ended 31 December 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty
Bendigo
14 March 2006

Signed in accordance with a resolution of the Directors at East Gosford, New South Wales on 14 March 2006.

A handwritten signature in dark ink, appearing to read 'Robert Rudd', is written over a solid horizontal line.

Robert Rudd, Chairman

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Condensed Income Statement
for the half-year ended 31 December 2005

	Note	2005 \$	2004 \$
Revenue from ordinary activities		570,988	492,160
Salaries and employee benefit expense		(260,532)	(238,725)
Depreciation and amortisation expense		(17,154)	(33,641)
Other expenses from ordinary activities		<u>(200,708)</u>	<u>(178,788)</u>
Profit from ordinary activities before income tax expense		92,594	41,006
Income tax expense relating to ordinary activities		<u>28,008</u>	<u>17,214</u>
Net profit attributable to members of the entity		<u>64,586</u>	<u>23,792</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u><u>64,586</u></u>	<u><u>23,792</u></u>
Earnings per share (cents per share)			
- basic for profit for the half year		9.17	5.07
- diluted for profit for the half year		9.17	5.07
- dividends paid per share	6	6.00	-

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Condensed Balance Sheet
as at 31 December 2005

	Note	31-Dec 2005 \$	30-Jun 2005 \$
Current Assets			
Cash assets		351,802	350,942
Receivables		108,563	95,659
Total Current Assets		<u>460,365</u>	<u>446,601</u>
Non-Current Assets			
Property, plant and equipment		124,600	129,348
Intangibles		77,631	28,750
Investments		500	500
Total Non-Current Assets		<u>202,731</u>	<u>158,598</u>
Total Assets		<u>663,096</u>	<u>605,199</u>
Current Liabilities			
Payables		70,294	68,405
Current tax liability		18,038	1,410
Provisions		45,589	41,119
Total Current Liabilities		<u>133,921</u>	<u>110,934</u>
Total Liabilities		<u>133,921</u>	<u>110,934</u>
Net Assets		<u>529,175</u>	<u>494,265</u>
Equity			
Issued capital	5	456,358	457,858
Retained earnings		72,817	36,407
Total Equity		<u>529,175</u>	<u>494,265</u>

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Condensed Cash Flow Statement
for the half-year ended 31 December 2005

	2005	2004
	£	\$
Cash Flows From Operating Activities		
Cash receipts in the course of operations	610,005	506,684
Cash payments in the course of operations	(510,474)	(450,917)
Interest received	3,672	3,269
Income tax paid	(11,380)	(27,840)
	<u>91,823</u>	<u>31,196</u>
Net cash flows from (used in) operating activities		
Cash Flows From Investing Activities		
Payments for investments	-	(500)
Payments for intangibles	(55,867)	-
Payments for property, plant and equipment	(5,420)	(18,734)
	<u>(61,287)</u>	<u>(19,234)</u>
Net cash flows from (used in) investing activities		
Cash Flows From Financing Activities		
Payments for raising capital	(1,500)	-
Dividends paid	(28,176)	-
	<u>(29,676)</u>	<u>-</u>
Net cash flows from (used in) financing activities		
Net increase (decrease) in cash held	860	11,962
Opening cash brought forward	<u>350,942</u>	<u>258,264</u>
Closing cash carried forward	<u>351,802</u>	<u>270,226</u>

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Condensed Statement of Changes in Equity
for the half-year ended 31 December 2005

	Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2004	457,858	(771)	457,087
Net profit for the period	-	23,792	23,792
Issue of share capital	-	-	-
Equity dividends	-	(23,480)	(23,480)
As at 31 December 2004	<u>457,858</u>	<u>(459)</u>	<u>457,399</u>

	Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2005	457,858	36,407	494,265
Net profit for the period	-	64,586	64,586
Issue of share capital	-	-	-
Cost of raising share capital	(1,500)	-	(1,500)
Equity dividends	-	(28,176)	(28,176)
As at 31 December 2005	<u>456,358</u>	<u>72,817</u>	<u>529,175</u>

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2005

1. Basis of preparation of the Half-Year Financial Report

(a) Basis of accounting

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of East Gosford & Districts Financial Services Ltd as at 30 June 2005, which was prepared based on Australian Accounting Standards applicable before 1 January 2005 ('AGAAP'). It is also recommended that this half year financial report be considered together with any public announcements made by East Gosford & Districts Financial Services Ltd during the half year ended 31 December 2005 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

For the purpose of preparing the half year financial statements the half year has been treated as a discrete reporting period.

(b) Statement of compliance

The half year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the half year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first half year financial report based on AIFRS and comparatives for the half year ended 31 December 2004 and full year ended 30 June 2005 have been restated accordingly. Other than detailed at 1(c) below, the accounting policies have been consistently applied and are consistent with those applied in the 30 June 2005 financial statements.

Reconciliations of:

- AIFRS equity as at 1 July 2004, 31 December 2004 and 30 June 2005; and
- AIFRS profit for the half year ended 31 December 2004 and full year ended 30 June 2005, to the balances reported in the 31 December 2004 half year report and 30 June 2005 full year financial report prepared under AGAAP are detailed in note 1(d) below.

(c) Summary of significant accounting policies

Other than detailed below, the accounting policies have been consistently applied and are consistent with those applied in the 30 June 2005 financial statements.

The following accounting policies are different to those used in the 30 June 2005 financial report due to the first time adoption of AIFRS.

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2005

1. Basis of preparation of the Half-Year Financial Report (continued)

Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of Asset	Depreciation Rate
Fitout costs	2.5 - 13%
Plant & equipment	20%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Recoverable amount of assets

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2005

1. Basis of preparation of the Half-Year Financial Report (continued)

(d) Impact of adoption of AIFRS

The impacts of adopting AIFRS on the total equity and profit after tax as reported under AGAAP are illustrated below:

Reconciliation of total equity as presented under AGAAP to that under AIFRS

	30-Jun 2005 \$	31-Dec 2004 \$	1-Jul 2004 \$
Total equity under AGAAP	494,265	457,399	457,087
Adjustments	-	-	-
Total equity under AIFRS	<u>494,265</u>	<u>457,399</u>	<u>457,087</u>

Reconciliation of profit after tax presented under AGAAP to that under AIFRS

	Year Ended 30-Jun 2005 \$	Half-year Ended 31-Dec 2004 \$
Profit after tax as previously reported (AGAAP)	60,658	23,792
Adjustments	-	-
Profit after tax under AIFRS	<u>60,658</u>	<u>23,792</u>

Explanation of material adjustments to the cash flow statement

There are no material differences between the cash flow statements presented under AIFRS and those presented under AGAAP.

2. Events subsequent to Reporting Date

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2005

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 economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being East Gosford, New South Wales.

5. Contributed Equity

	2005	2004
	\$	\$
469,608 Ordinary Shares fully paid of \$1 each	469,608	469,608
234,808 Ordinary Shares fully paid of \$1 each issued for no consideration as Bonus Shares at the rate of 1 for 2 shares held on 10 November 2005	-	-
less Capital Raising costs	<u>(13,250)</u>	<u>(11,750)</u>
	<u>456,358</u>	<u>457,858</u>

Equity comprises 704,416 fully paid \$1 paid shares. In recognition for shareholders who contributed to pre-incorporation funds to establish the business, 234,808 fully paid shares were issued with no consideration paid by the shareholders at the rate of one additional share for every two shares held on 10 November 2005.

6. Dividends Paid

Dividends paid during the half year

Final franked dividend for the year ended 30 June 2005 of 6 cents (2005: 0 cents)	28,176	-
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Dividends proposed and recognised as a liability

Interim franked dividend for the year ended 30 June 2006 of 0 cents (2005: 5 cents)	-	23,480
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7. Director and Related Party Disclosures

The names of directors who have held office during the half year ended 31 December 2005 are:

Robert Geoffrey Rudd
Stephen David McIntosh
Ronald Keith Hincksman
John Gregory Burton
Maxwell Robert Hiron
Brian Wilfred Lindbeck
Warren Neville Price
Barry Kenneth McDonald
Kenneth George Howes
Garry Samuel Morris

No director or related entity has entered into a material contract with the company. No director's fees have been paid as the positions are held on a voluntary basis.

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2005

7. Director and Related Party Disclosures (continued)

Directors shareholdings	<u>2005</u>	<u>2004</u>
Robert Geoffrey Rudd	4,502	3,001
Stephen David McIntosh	1,502	1,001
Ronald Keith Hincksman	7,500	5,000
John Gregory Burton	1,502	1,001
Maxwell Robert Hiron	1,502	1,001
Brian Wilfred Lindbeck	4,502	3,001
Warren Neville Price	1,502	1,001
Barry Kenneth McDonald	1,500	1,000
Kenneth George Howes	1,502	1,001
Garry Samuel Morris	750	500

Each share held has a paid up value of \$1 and is fully paid. The following directors shares were issued for no consideration as part of the bonus issue to all shareholders during the period ended 31 December 2005 (refer note 5).

Robert Geoffrey Rudd	1,501	-
Stephen David McIntosh	501	-
Ronald Keith Hincksman	2,500	-
John Gregory Burton	501	-
Maxwell Robert Hiron	501	-
Brian Wilfred Lindbeck	1,501	-
Warren Neville Price	501	-
Barry Kenneth McDonald	500	-
Kenneth George Howes	501	-
Garry Samuel Morris	250	-

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Directors Declaration
for the half-year ended 31 December 2005

In accordance with a resolution of the directors of East Gosford & Districts Financial Services Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company:
 - (i) give a true and fair view of the company's financial position as at 31 December 2005 and its performance for the half-year ended on that date; and
 - (ii) comply with Accounting Standard AASB 134, "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Robert Rudd, Chairman

Signed in East Gosford on this 14th day of March 2006

Richmond Sinnott & Delahunty

Chartered Accountants



10 Forest Street
PO Box 30
Bendigo, 3552
Ph: 03 5443 1177
Fnx: 03 5444 4344
Email: rsd@rsdadvisors.com.au
ABN 60 616 244 309

Independent Review Report

To the members of East Gosford and Districts Financial Services Ltd

Scope

The financial report comprises the condensed income statement, condensed balance sheet, condensed cash flow statement, condensed statement of changes in equity, accompanying notes to the financial statements and the directors' declaration for East Gosford and Districts Financial Services Ltd for the half-year ended 31 December 2005.

The company's directors are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for accounting policies and accounting estimates inherent in the financial report.

Review Approach

We conducted an independent review of the half year financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the half year financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis or procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position and of their performance as represented by the results of their operations and their cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than that given in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Review Statement

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 interim financial report of East Gosford and Districts Financial Services Ltd is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2005 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; and
- (b) other mandatory professional reporting requirements.

Richmond Sinnott & Delahunty

**Richmond Sinnott & Delahunty
Chartered Accountants**

Warren Sinnott

**Warren Sinnott
Partner**

Signed at Bendigo on 14 March 2006

Richmond Sinnott & Delahunty

Chartered Accountants



14 March 2006

The Directors
East Gosford & Districts Financial Services Limited
C/- SEE Accounting Group
PO Box 3268
ERINA NSW 2250

10 Forest Street
PO Box 30
Bendigo, 3552
Ph: 03 5443 1177
Fax: 03 5444 4344
Email: rsd@rsdadvisors.com.au
ATTN 60 616 244 309

Dear Directors

Auditor's Independence Declaration

In relation to our audit of the financial report of East Gosford & Districts Financial Services Limited for the half year ended 31 December 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in black ink that reads "W Sinnott".

Warren Sinnott
Partner
Richmond Sinnott & Delahunty