

ASIC registered agent number

24972

7051 15 July 2001 1/1

lodging party or agent name

KELLY PARTNERS

office, level, building name or PO Box no.

PO BOX 3616

street number & name

SUREG FOUNTAIN PLAZA

suburb/city

ERINA

state/territory NSW

postcode 2280

telephone

(02) 4367 6630

facsimile

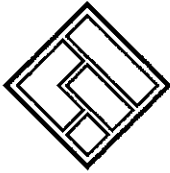
(02) 4367 6632

DX number

suburb/city

Empty rectangular box for stamp or signature.

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



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 GOSFORD & 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 / 2006

to

31 / 12 / 2006

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

A.C.N.

name of person signing (print)

ROBERT RUDD

capacity

DIRECTOR

sign here

Robert Rudd

date 16 / 3 / 07

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 2006.

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 \$12,728 (2005: \$64,586).

Matters subsequent to the end of the reporting period

A prospectus was issued on 17 November 2006 for raising additional capital for the purpose of converting the Lisarow branch to a Community Bank and establishing a new branch at Kincumber. As at 31 December 2006, \$172,300 had been raised, which had not reached the minimum subscription amount of \$200,000. Hence no asset or equity for the \$172,300 has been recorded in the financial statements. On 19 January 2007, 226,900 shares were issued for \$1 per share.

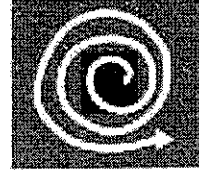
There are no other matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

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 2006, 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
16 March 2007

Signed in accordance with a resolution of the Directors at East Gosford, New South Wales on 16 March 2007.



Robert Rudd, Chairman

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Condensed Income Statement
for the half-year ended 31 December 2006

	Note	2006	2005
		£	£
Revenue from ordinary activities		683,271	570,988
Salaries and employee benefit expense		(361,634)	(260,532)
Depreciation and amortisation expense		(27,352)	(17,154)
Other expenses from ordinary activities		<u>(268,158)</u>	<u>(200,708)</u>
Profit from ordinary activities before income tax expense		26,127	92,594
Income tax expense relating to ordinary activities		<u>13,399</u>	<u>28,008</u>
Net profit attributable to members of the entity		<u><u>12,728</u></u>	<u><u>64,586</u></u>
Earnings per share (cents per share)			
- basic for profit for the half year		1.81	9.17
- diluted for profit for the half year		1.81	9.17
- dividends paid per share	6	6.00	6.00

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Condensed Balance Sheet
as at 31 December 2006

	Note	31-Dec 2006 \$	30-Jun 2006 \$
Current Assets			
Cash assets		155,134	431,049
Receivables		131,350	115,420
Total Current Assets		<u>286,484</u>	<u>546,469</u>
Non-Current Assets			
Property, plant and equipment		311,379	130,665
Intangibles		100,921	77,220
Investments		500	500
Total Non-Current Assets		<u>412,800</u>	<u>208,385</u>
Total Assets		<u>699,284</u>	<u>754,854</u>
Current Liabilities			
Payables		77,359	82,291
Current tax liability		407	31,343
Provisions		82,764	60,944
Total Current Liabilities		<u>160,530</u>	<u>174,578</u>
Total Liabilities		<u>160,530</u>	<u>174,578</u>
Net Assets		<u>538,754</u>	<u>580,276</u>
Equity			
Issued capital	5	444,373	456,358
Retained earnings		94,381	123,918
Total Equity		<u>538,754</u>	<u>580,276</u>

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Condensed Cash Flow Statement
for the half-year ended 31 December 2006

	2006	2005
	\$	\$
Cash Flows From Operating Activities		
Cash receipts in the course of operations	727,463	610,005
Cash payments in the course of operations	(679,208)	(510,474)
Interest received	6,182	3,672
Income tax paid	(44,335)	(11,380)
	<u>10,102</u>	<u>91,823</u>
Net cash flows from (used in) operating activities		
Cash Flows From Investing Activities		
Payments for intangibles	(39,077)	(55,867)
Payments for property, plant and equipment	(192,690)	(5,420)
	<u>(231,767)</u>	<u>(61,287)</u>
Net cash flows from (used in) investing activities		
Cash Flows From Financing Activities		
Payments for raising capital	(11,985)	(1,500)
Dividends paid	(42,265)	(28,176)
	<u>(54,250)</u>	<u>(29,676)</u>
Net cash flows from (used in) financing activities		
Net increase (decrease) in cash held	(275,915)	860
Opening cash brought forward	<u>431,049</u>	<u>350,942</u>
Closing cash carried forward	<u><u>155,134</u></u>	<u><u>351,802</u></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 2006

	Issued Capital \$	Retained Earnings \$	Total Equity \$
As at 1 July 2006	456,358	123,918	580,276
Net profit for the period	-	12,728	12,728
Issue of share capital	-	-	-
Cost of raising share capital	(11,985)	-	(11,985)
Equity dividends	-	(42,265)	(42,265)
As at 31 December 2006	<u>444,373</u>	<u>94,381</u>	<u>538,754</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 2006

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 2006. 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 2006 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').

(c) Summary of significant accounting policies

The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2006 financial statements.

2. Events subsequent to Reporting Date

Other than detailed in note 5 there have been no events subsequent to reporting date that would materially effect 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. 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.

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Notes to the Financial Statements
for the half-year ended 31 December 2006

5. Contributed Equity	2006	2005
	\$	\$
469,608 Ordinary Shares fully paid of \$1 each *	469,608	469,608
Less preliminary expenses	(25,235)	(13,250)
	<u>444,373</u>	<u>456,358</u>

* In November 2005, 234,804 bonus shares were issued for no consideration at the rate of 1 share for every 2 held.

* A prospectus was issued on 17 November 2006 for raising additional capital for the purpose of converting the Lisarow branch to a Community Bank and establishing a new branch at Kincumber. As at 31 December 2006, \$172,300 had been raised, which had not reached the minimum subscription amount of \$200,000. Hence no asset or equity for the \$172,300 has been recorded in the financial statements. On 19 January 2007, 226,900 shares were issued for \$1 per share.

6. Dividends Paid

Dividends paid during the half year

Final franked dividend for the year ended 30 June 2006 of 6 cents (2005: 6 cents)	42,265	28,176
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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 2006 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.

Directors shareholdings	2006	2005
Robert Geoffrey Rudd	4,502	4,502
Stephen David McIntosh	1,502	1,502
Ronald Keith Hincksman	7,500	7,500
John Gregory Burton	1,502	1,502
Maxwell Robert Hiron	1,502	1,502
Brian Wilfred Lindbeck	4,502	4,502
Warren Neville Price	1,502	1,502
Barry Kenneth McDonald	1,500	1,500
Kenneth George Howes	1,502	1,502
Garry Samuel Morris	750	750

There was no movement in directors shareholdings during the period. Each share held has a paid up value of \$1 and is fully paid.

East Gosford & Districts Financial Services Ltd
ABN 90 092 538 620
Directors Declaration
for the half-year ended 31 December 2006

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 2006 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

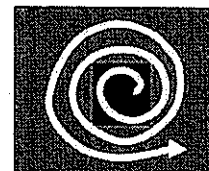


Robert Rudd, Chairman

Signed in East Gosford on this 16th day of March 2007

Richmond Sinnott & Delahunty

Chartered Accountants



Partners:
Kenneth J Richmond
Warren J Sinnott
Phillip P Delahunty
Brett A Andrews

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 2006.

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 2006 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

W Sinnott

Warren Sinnott
Partner

Signed at Bendigo on 16 March 2007