

**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 2007.

**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 (Resigned 5 February 2008)

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 are lower than expected partially due to the bank engaging security guards at a cost of \$19,536 after a high number of hold ups in the Sydney area. The net profit of the company for the financial period was \$1,540 (2006: \$12,728).

**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**



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Bendigo. 3552  
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**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 2007, 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**  
**7 March 2008**

Signed in accordance with a resolution of the Directors at East Gosford, New South Wales on 7 March 2008.

A handwritten signature in black 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 2007**

	Note	2007	2006
		<u>\$</u>	<u>\$</u>
Revenue from ordinary activities		771,857	677,089
Other revenue		8,843	6,182
Salaries and employee benefit expense		(421,255)	(361,634)
Depreciation and amortisation expense		(45,361)	(27,352)
Sponsorship and donations		(22,979)	(19,839)
Rent		(62,709)	(57,672)
Other expenses from ordinary activities		<u>(221,279)</u>	<u>(190,647)</u>
<b>Profit from ordinary activities before income tax expense</b>		7,117	26,127
Income tax expense relating to ordinary activities		<u>5,577</u>	<u>13,399</u>
<b>Net profit</b>		<u><u>1,540</u></u>	<u><u>12,728</u></u>
<b>Earnings per share (cents per share)</b>			
- basic for profit for the half year		0.15	1.81
- diluted for profit for the half year		0.15	1.81
- dividends paid per share	<b>6</b>	5.00	6.00

**East Gosford & Districts Financial Services Ltd**  
**ABN 90 092 538 620**  
**Condensed Balance Sheet**  
**as at 31 December 2007**

	Note	31-Dec 2007 \$	30-Jun 2007 \$
<b>Current Assets</b>			
Cash assets		348,081	322,367
Current tax receivable		14,264	34,636
Receivables		160,676	136,988
<b>Total Current Assets</b>		<u>523,021</u>	<u>493,991</u>
<b>Non-Current Assets</b>			
Property, plant and equipment		330,925	350,328
Intangibles		109,505	122,313
Investments		500	500
<b>Total Non-Current Assets</b>		<u>440,930</u>	<u>473,141</u>
<b>Total Assets</b>		<u>963,951</u>	<u>967,132</u>
<b>Current Liabilities</b>			
Payables		125,053	108,237
Provisions		102,830	84,751
<b>Total Current Liabilities</b>		<u>227,883</u>	<u>192,988</u>
<b>Total Liabilities</b>		<u>227,883</u>	<u>192,988</u>
<b>Net Assets</b>		<u>736,068</u>	<u>774,144</u>
<b>Equity</b>			
Issued capital	5	708,669	698,669
Retained earnings		27,399	75,475
<b>Total Equity</b>		<u>736,068</u>	<u>774,144</u>

**East Gosford & Districts Financial Services Ltd**  
**ABN 90 092 538 620**  
**Condensed Cash Flow Statement**  
**for the half-year ended 31 December 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Cash receipts in the course of operations	825,266	727,463
Cash payments in the course of operations	(770,424)	(679,208)
Interest received	8,843	6,182
Income tax refunded/(paid)	14,795	(44,335)
	<u>78,480</u>	<u>10,102</u>
<b>Net cash flows from (used in) operating activities</b>		
<b>Cash Flows From Investing Activities</b>		
Payments for intangibles	(8,800)	(39,077)
Payments for property, plant and equipment	(4,350)	(192,690)
	<u>(13,150)</u>	<u>(231,767)</u>
<b>Net cash flows from (used in) investing activities</b>		
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of shares	10,000	-
Payments for raising capital	-	(11,985)
Dividends paid	(49,616)	(42,265)
	<u>(39,616)</u>	<u>(54,250)</u>
<b>Net cash flows from (used in) financing activities</b>		
<b>Net increase (decrease) in cash held</b>		
	25,714	(275,915)
Opening cash brought forward	<u>322,367</u>	<u>431,049</u>
<b>Closing cash carried forward</b>	<u><u>348,081</u></u>	<u><u>155,134</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 2007**

	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>As at 1 July 2007</b>	698,669	75,475	774,144
Net profit for the period	-	1,540	1,540
Issue of share capital	10,000	-	10,000
Cost of raising share capital	-	-	-
Equity dividends	-	(49,616)	(49,616)
<b>As at 31 December 2007</b>	<u>708,669</u>	<u>27,399</u>	<u>736,068</u>

	<b>Issued Capital \$</b>	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>As at 1 July 2006</b>	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)
<b>As at 31 December 2006</b>	<u>444,373</u>	<u>94,381</u>	<u>538,754</u>

**East Gosford & Districts Financial Services Ltd**

**ABN 90 092 538 620**

**Notes to the Financial Statements  
for the half-year ended 31 December 2007**

**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 2007. 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 2007 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 2007 financial statements.

**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.

**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 2007**

<b>5. Contributed Equity</b>	<b>31-Dec 2007</b>	<b>30-Jun 2007</b>
	<b>\$</b>	<b>\$</b>
759,008 Ordinary Shares fully paid of \$1 each *	759,008	749,008
234,808 Bonus Shares *	-	-
Less preliminary expenses	(50,339)	(50,339)
	<b>708,669</b>	<b>698,669</b>

\* In November 2005, 234,808 bonus shares were issued for no consideration at the rate of 1 share for every 2 held.

**6. Dividends Paid**

*Dividends paid during the half year*

Final franked dividend for the year ended 30 June 2007 of 5 cents (2006: 6 cents)	49,616	42,265
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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 2007 are:

Robert Geoffrey Rudd  
Stephen David McIntosh (Resigned 5 February 2008)  
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.

<b>Directors shareholdings</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Robert Geoffrey Rudd	4,502	4,502
Stephen David McIntosh (Resigned 5 February 2008)	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 2007**

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 2007 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 7th day of March 2008

# Richmond Sinnott & Delahunty

Chartered Accountants



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

7 March 2008

The Directors  
East Gosford & Districts Financial Services Limited  
C/- Kelly & Partners Chartered Accountants  
PO Box 3616  
ERINA NSW 2250

Dear Directors

## **Auditor's Independence Declaration**

In relation to our review of the financial report of East Gosford & Districts Financial Services Limited for the half year ended 31 December 2007, 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 dark ink, appearing to read 'Sinnott', with a small flourish at the end.

**Warren Sinnott**  
**Partner**  
**Richmond Sinnott & Delahunty**



# Richmond Sinnott & Delahunty

Chartered Accountants



Partners:  
Kenneth J Richmond  
Warren J Sinnott  
Philip 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 2007.

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 2007 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 7 March 2008