



goldfields  
M O N E Y

**Annual Financial Report for the  
year ended 30 June 2013**

ACN: 087 651 849

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## **Corporate Information**

**ACN:** 087 651 849

### **Directors**

Mr. Allan Pandal	(Chairman and Non-executive Director)
Mr. William McKenzie	(Non-executive Director)
Mr. Leigh Junk	(Non-executive Director)
Mr. Robert Bransby	(Non-executive Director)
Mr. David Holden	(Managing Director)

### **Company Secretary**

Mr. Michael Verkuylen

### **The registered office and principal place of business of the Company is:**

120 Egan Street  
KALGOORLIE WA 6430  
Phone: 08 9021 6444

### **Share Register:**

Advanced Share Registry  
150 Stirling Hwy  
Nedlands WA 6009  
Tel:(618) 9389 8033  
Fax:(618) 9389 7871

### **Exchange Listing**

Australian Securities Exchange Limited  
Exchange Plaza  
2 The Esplanade  
Perth, Western Australia 6000  
ASX Code: GMY

### **Solicitors:**

Clayton Utz  
Level 27, QV1 Building  
250 St Georges Tce  
Perth WA 6000

### **Auditors:**

RSM Bird Cameron Partners  
8 St Georges Terrace  
Perth WA 6000

**Website Address:**        **[www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au)**

## **MANAGING DIRECTOR AND CHAIRMAN'S REPORT**

On behalf of the board of directors of Goldfields Money Limited (Goldfields Money), it is our pleasure to present the Annual Report for the end of financial year 2013 (FY'2013).

### **GROWTH STRATEGY**

Goldfields Money entered FY'2013 with a growth strategy. During the year the company achieved significant balance sheet growth which supports a sound financial base to grow future profitability.

The growth strategy was achieved primarily through implementation of the following strategic objectives:

- Expansion into the Perth Metropolitan Market
- Channel diversification in both loans and deposits, including the use of selected brokers
- Enhancement and development of online capability
- Enhancements to product offering and introduction of several new products
- Promotion, advertising and brand awareness

In addition, GMY invested in its resourcing, compliance, risk management and distribution capabilities. This investment was necessary to ensure GMY has in place the appropriate foundations to support future growth, whilst maintaining its prudent risk management practices.

### **FINANCIAL HIGHLIGHTS**

- Loan growth of 70% or over \$2.8m per month
- New lending averaging \$3.75m per month
- Deposits growth of 67% or over \$3.25m per month
- Total Assets as at 30 June 2013 of \$117m versus \$76m in previous year

Net Profit After Tax of \$196,709 was materially impacted by deploying new resources (distribution, compliance and risk management) to cater for the substantial growth of the current year. This investment lays the necessary foundation for the Company's next phase of new business development opportunities and will only incur incremental administrative costs.

The result for the period was also affected by the reductions to the cash rate by the RBA. Net interest margins were squeezed as a result of these reductions combined with the structure of the company's funding book and the use of mortgage brokers and pricing to match competition offerings.

Approximately \$45m in gross loans were funded during FY'2013 and of these, close to 50% were originated in the Perth market. In addition to establishing a presence in a new market, this has meant a diversification of the historical concentration of loans in the Goldfields region of WA.

Evidence of Goldfields Money's prudent risk management and lending practices can be seen by the historically low levels of arrears. On a portfolio basis the loan book remains well secured, with an average loan to value ratio of 64% and being predominately secured by residential mortgages.

### **OUTLOOK**

Goldfields Money's prudential capital ratio was 28.1% as at 30 June 2013 which is well ahead of the company's internally assessed minimum, providing capacity to support ongoing growth. The Board remains optimistic that the momentum created in loan growth can continue and the company is currently on track to achieving \$160m in total assets towards the end of FY'2014.

## MANAGING DIRECTOR AND CHAIRMAN'S REPORT (Continued)

The key strategic objectives for FY'2013 are to continue to increase scale and improve overall profitability through the following initiatives:

- Continue to build scale in lending through:
  - Leveraging brand recognition and presence in the Goldfields Region
  - Developing and enhancing online presence and capability
  - Establishing and enhancing distribution arrangements and partnerships
  - Widening of broker channels
  - Continuing expansion into the Perth market and regional WA
- Net interest margin management
  - Increase proportion of non-residential lending
  - Introduce lower cost deposit products, including a cash management account
  - Introduce a Visa Debit Card to attract lower cost deposit funds
  - Offer an Online Savings Account

As these new products are introduced, re-balance the funding portfolio to a more even split between at call and term deposit funding

On behalf of the Board of Directors of Goldfields Money, we would like to thank all our customers, shareholders and staff for their continued support along the journey to becoming a significant West Australian financial institution.

Yours sincerely,



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Allan Pandal  
Chairman  
9 October 2013



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David Holden  
Managing Director  
9 October 2013

## **DIRECTORS' REPORT**

Your Directors present their report of Goldfields Money Limited (the "Company") for the year ended 30 June 2013.

### **OPERATING AND FINANCIAL REVIEW**

The 30 June 2013 financial year has seen the first full year of operation as an ASX listed Authorised Depositing-taking Institution. FY2013 has seen positive growth in the company's lending and deposit portfolios through the implementation of its growth strategy. The key operating and financial metrics are summarised in the table below:

Key Metric	30 June 2013	30 June 2012	Movement
Total Assets	\$116,764,441	\$75,848,845	54%
Loans	\$83,281,109	\$49,062,795	70%
Deposits	\$100,682,597	\$60,315,619	67%
Ave. Net Interest Margin	2.3%	3.32%	-1.02%*
Net profit after tax	\$196,709	\$468,451	-58%
Capital Adequacy Ratio	28.1%	43.9%	-15.8%*

\*Expressed as an absolute change

Loan origination activity started in Perth in the second quarter of FY2013. In January 2013, we opened up an office in Claremont to facilitate the expansion into the Perth metropolitan market with an emphasis on residential lending, but also some commercial property and personal lending. This is being supported by a dedicated Business Development Manager based in Perth. Approximately \$45m in gross loans has been funded during the year, of which 50% has been originated from the Perth metropolitan market. We also continue to grow our lending portfolio in the Goldfields region.

Despite the strong level of growth during the year, net loan growth has been constrained by higher levels of prepayments attributable to a relatively more conservative consumer, taking advantage of the lower interest rate environment to de-leverage. Nonetheless this growth is well ahead of the national average for housing credit growth of 4.6%pa.

Strong credit quality has also continued with no evidence of material loan stress. Loans greater than 90 days due are less than 0.1% of the loan portfolio.

During the year we expanded our deposit distribution network which is seen as critical to ensure sufficient funding to meet our lending growth targets. The need to raise retail funds to meet lending targets has resulted in higher funding costs. As the company grows, diversifies its funding sources and improves economies of scale, this is expected to ease.

Amidst this period of low credit growth we have also seen the cash rate cut from 4.25% from the time the company demutualised in April 2012 to 2.75% at 30 June 2013. Combined with the impacts of competitive pricing to win new business, reliance on term deposit funding and the reductions over this period to our variable rate loans, has led to reduced net interest margin.

The profit of the Company for the financial year after provision for income tax was \$196,709 (2012: \$468,451). The focus on expansion and growth requires continuing investment in resourcing, compliance and risk management.

As at 30 June 2013, the company's capital adequacy ratio as reported for regulatory purposes is 28.1% which is well in excess of the company's internally assessed minimum of 20% and provides capacity for continuing growth into FY2014.

### **PRINCIPAL ACTIVITY**

The principal activities of the Company were the provision of a range of financial products and services to existing and new customers. Goldfields Money Limited is an authorised deposit taking institution. There was no significant change in these activities throughout the year.

### **DIVIDENDS**

No dividend was paid or declared by the Company in the period and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend, for the financial period ended 30 June 2013.

## DIRECTOR'S REPORT (Continued)

### DIRECTORS

The names and details of the Company's Directors in office at any time during or since the end of the year up to the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

#### Allan Pental (Chairman and Non-executive Director)

Mr Pental was elected the Chairman of the Board in October 2005 after serving as a Director since November 2002. Following 22 years experience in banking and 6 years experience as chief financial officer of a public company, Mr Pental became a partner in a real estate business and is a former State Councillor of the Real Estate Institute of WA. He is currently a director of Healthguard Health Benefits Fund Ltd (formerly Goldfields Medical Fund Inc and now part of the HBF Group) and is also Deputy Mayor of the City of Kalgoorlie Boulder.

Mr. Pental is a member of the Credit Committee and Chairman of the Remuneration Committee.

#### William McKenzie (Non-executive Director)

Mr McKenzie has served as a Director since October 1994. He was Chairman of the Board of Directors from April 2003 to October 2005. He practices Law in partnership with his wife in their law firm.

He is the Chairman of the Credit Committee and is also a member of the Audit & Risk Management Committee.

#### Leigh Junk (Non-executive Director)

Mr Junk was appointed a Director in March 2004. He has tertiary qualifications in Surveying, Mining Engineering and Mineral Economics. He has gained extensive corporate experience in the mining industry. He was executive director and co-owner of private mining company Donegal Resources Pty Ltd until it was sold to a Canadian company in 2006. He has experience as a non-executive director through current board positions with Sentosa Mining Ltd, Doray Minerals Ltd and Aura Energy Ltd listed on the ASX.

He is a member of the Credit, Audit & Risk Management and Remuneration Committees.

#### Robert Bransby (Non-executive Director)

Mr Bransby was appointed a Director in May 2012. Mr Bransby is currently managing director of HBF Health Limited. Mr Bransby joined HBF in August 2005 as group general manager. He was appointed chief executive officer in January 2007 and managing director in January 2008. He is also director of HBF Financial Services Pty Ltd and HealthGuard Health Benefits Pty Ltd. Prior to working at HBF, Mr Bransby enjoyed a successful career in banking, holding a number of senior positions during twenty five years at the National Australia Bank Ltd. Mr Bransby is a director of Australian Institute of Management, Western Australia, President of Private Healthcare Australia and is the Australian representative on the International Federation of Health Plans (iFHP) Council of Management.

He is a member of the Credit, Remuneration Committees and Chairman of the Audit & Risk Management Committee.

#### David Holden (Managing Director)

Mr Holden was appointed a Director in May 2012. Mr Holden has over 20 years experience in the Banking and Financial Services Industry, serving as chief financial officer at Home Building Society and StateWest Credit Society and holding senior finance and treasury roles at Challenge Bank. Mr Holden is a qualified CPA, has an MBA and is a graduate of the Australian Institute of Company Directors. Mr Holden is also the Chairman of the Board of UnitingCare West.

### Company Secretary

#### Michael Verkuylen

Mr Verkuylen was appointed as joint company secretary in June 2012 and is also the Chief Financial Officer. He is a Chartered Accountant with over 9 years experience in the banking and financial services industry. He previously held a position with a major international accounting firm.

## **DIRECTOR'S REPORT (Continued)**

### **INTEREST IN SHARES AND OPTION OF THE COMPANY**

As at the date of this report, the Directors hold shares of the company in their own name or a related body corporate as follows:

	Number of ordinary shares	Number of options over ordinary shares
A Pental	39,606	17,500
W McKenzie	55,303	25,000
L Junk	34,606	15,000
R Bransby	20,000	10,000
D Holden	218,747	100,000

Interest in shares and options above were acquired by the Directors at their own expense and does not form part of their remuneration.

### **MEETINGS OF DIRECTORS**

The number of Board and Committee meetings held during the financial year, and attendance by each Director is as follows:

	Board		Audit and Risk Management		Credit		Remuneration	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
A Pental	10	10	-	-	5	5	2	2
L Junk	10	9	6	5	5	5	2	2
W McKenzie	10	10	6	6	5	4	-	-
R Bransby	10	10	6	6	5	5	2	2
D Holden	10	9	-	-	-	-	-	-

### **CHANGES IN THE STATE OF AFFAIRS**

Except for the matters discussed elsewhere in this directors' report, 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 these financial statements.

### **EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

In the opinion of the Directors there has not arisen in the period between the end of the financial year and the date of this report any material item, transactions or event that is likely to significantly affect the operations of the Company.

### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The company intends to continue to implement its strategic objectives and plans as presented in its Investor Presentations announced on the ASX. This includes continuing to leverage distribution arrangements in both the Goldfields and Perth regions to generate the required level of balance sheet growth needed to deliver adequate shareholder returns.

No other matter, circumstance or likely development in the operations has arisen since the end of the financial year that has significantly affected or may significantly affect:

- (i) The operations of the Company;
- (ii) The results of those operations; or
- (iii) The state of affairs of the Company

in the financial years subsequent to this financial year.

### **SHARE OPTIONS**

In connection with the issuance of securities and listing of Goldfields Money Limited as disclosed in the Prospectus dated 14 February 2012, 4,500,000 free attaching options (on a 1 Option for every 2 Ordinary Shares subscribed basis) were issued.

The 4,500,000 options over ordinary shares issued are unlisted, have an exercise price of \$1.50 and expire in May 2019.

## **DIRECTOR'S REPORT (Continued)**

### **INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

The Company has paid or agreed to pay a premium in relation to a contract insuring the Directors and Officers listed in this report against those liabilities for which insurance is permitted under Section 199B of the Corporations Act 2001. The terms of the policy prohibits disclosure of details of the amount of the insurance cover and the premium paid.

The Company has not otherwise, during or since the relevant period, indemnified or agreed to indemnify an Officer or auditor of the Company or of any related body corporate against a liability incurred as such an Officer or auditor.

### **PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

### **RISK MANAGEMENT POLICIES**

The Australian Prudential Regulatory Authority through its Prudential Standards requires Directors to have in place appropriate risk management policies covering significant identifiable risks. These include policies and procedures for credit, liquidity, operations, data, and market risks. Risk management policies are reviewed at least annually and are subject to audit.

### **ENVIRONMENTAL REGULATIONS**

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

### **AUDITORS INDEPENDENCE DECLARATION**

Our auditor, RSM Bird Cameron Partners, has provided the Board of Directors with an independence declaration in accordance with section 307C of the Corporations Act 2001. The independence declaration is included within the financial statements.

### **NON-AUDIT SERVICES**

The following non-audit services were provided by the entity's auditor, RSM Bird Cameron. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

RSM Bird Cameron received or are due to receive the following amounts for the provision of non-audit services:

	\$
Tax compliance services	5,445
Non assurance related	6,875
	<hr/> 12,320 <hr/>

## DIRECTOR'S REPORT (Continued)

### REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2013 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
  - A. Remuneration principles and strategy
  - B. Approach to setting remuneration
  - C. Detail of incentive plans
4. Executive remuneration outcomes for 2013 (including link to performance)
5. Executive contracts
6. Non-executive director remuneration (including statutory remuneration disclosures)

#### 1. Introduction

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company. For the purposes of this report, the term "executive" includes the Managing Director (MD) and Chief Financial Officer of the Company.

##### (i) Non-executive directors (NEDs)

Allan Pendl	Chairman (non-executive)
William McKenzie	Director (non-executive)
Leigh Junk	Director (non-executive)
Robert Bransby	Director (non-executive)

##### (ii) Executive directors

David Holden	Managing Director
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##### (iii) Other executives

Michael Verkuylen	Company Secretary and Chief Financial Officer
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There were no changes to KMP after the reporting date and before the date the financial report was authorised for issue.

#### 2. Remuneration governance

The board of directors is responsible for determining and reviewing compensation arrangements for the executive team. The remuneration committee was established to assist the Board in meeting its responsibilities.

##### Remuneration committee

The remuneration committee comprises three independent NEDs. The remuneration committee meets at least twice a year and is required to make recommendations to the board on matters related to the remuneration arrangements for NEDs and executives. The MD attends certain remuneration committee meetings by invitation, where management input is required. The MD is not present during any discussions related to his own remuneration arrangements.

The board approves the remuneration arrangements of the MD and other executives and all awards including incentive plans and other employee benefit programs. The board also sets the aggregate remuneration of NEDs, which is then subject to shareholder approval, and NED fee levels.

Further information on the remuneration committee's role, responsibilities and membership can be seen at [www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au).

## DIRECTOR'S REPORT (Continued)

### REMUNERATION REPORT (AUDITED)

#### Use of remuneration consultants

To ensure the remuneration committee is fully informed when making remuneration decisions, the remuneration committee may seek external remuneration advice. During the year the Company did not seek external advice in relation to remuneration.

#### Remuneration report approval

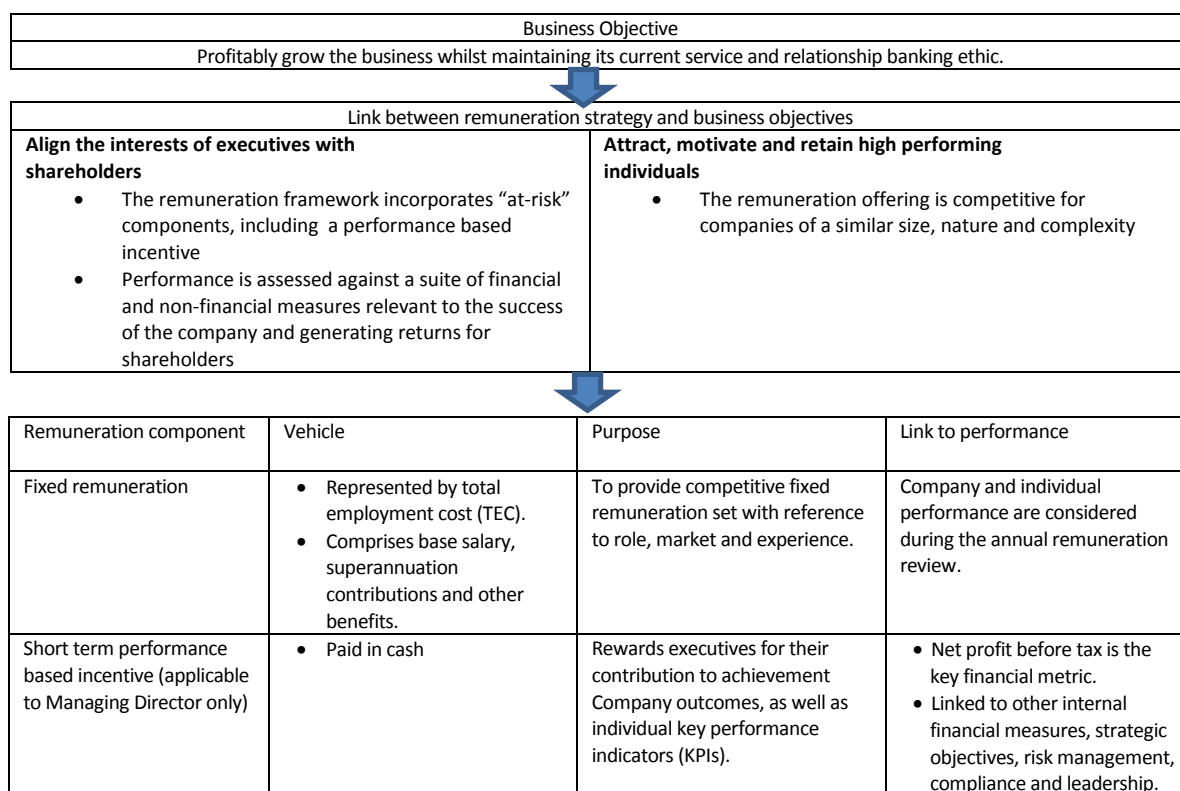
The FY2012 remuneration report received positive shareholder support at the FY2012 AGM with a vote of 99% in favour.

### 3. Executive remuneration arrangements

#### 3A. Remuneration principles and strategy

Goldfields Money Limited's executive remuneration strategy aims to attract and retain executives who will create shareholder value and fairly and responsibly reward them for performance.

The following diagram illustrates how the Company's remuneration strategy aligns with the strategic direction and links remuneration outcomes to performance.



#### 3B. Approach to setting remuneration

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice of entities of a similar size, nature and complexity.

Remuneration levels are considered annually through a remuneration review that considers market data, insights into remuneration trends, the performance of the company and individual, and the broader economic environment.

For FY2013 the MD's remuneration comprised 100% fixed remuneration. The MD's target remuneration mix for future periods will comprises a base salary plus a short term incentive component of up to 25% of the base salary.

## DIRECTOR'S REPORT (Continued)

### REMUNERATION REPORT (AUDITED)

#### 3C. Detail of incentive plans

##### Performance based incentive – Managing Director

The MD is eligible for an annual performance based incentive of up to 25% of his base salary (excluding superannuation). In determining the extent of any performance based incentive the Board will assess achievement of clearly defined key performance indicators.

Performance based incentives awarded to the MD depend on the extent to which specific targets set at the beginning of the financial year are met. The targets consist of a number of key performance indicators (KPIs) covering financial and non-financial, corporate and individual measures of performance. A summary of the measures are set out below.

Financial measures	Non-financial measures
<ul style="list-style-type: none"> <li>Profit before tax</li> </ul>	<ul style="list-style-type: none"> <li>Governance, risk management &amp; compliance</li> <li>Leadership</li> <li>Implementation of strategic objectives</li> </ul>

These performance measures were chosen as they represent the key drivers for the achievement of the business objectives and overall success of the business and provide a framework for delivering sustainable value.

On an annual basis, after consideration of performance against KPIs, the board, in line with their responsibilities, determines the amount, if any, of the short-term incentive to be paid to each executive, seeking recommendations from the MD as appropriate.

#### Hedging of equity awards

Currently the Company does not have any equity awards. However the Company has a policy which in the event equity awards were issued, prohibits executives from entering into arrangements to protect the value of the equity awards. The prohibition includes entering into contracts to hedge their exposure to options awarded as part of their remuneration package.

### 4. Executive remuneration outcomes for 2013 (including link to performance)

#### Company performance and its link to short-term incentives

The financial performance measures driving performance based incentive payment outcomes is profit before tax (PBT).

The following table shows the link between performance based incentives and shareholder wealth (or member wealth prior to listing) over the last 5 years:

Financial Year Ending 30 June	Profit before tax \$	Share price at balance date (cents)
2009	524,278	Not listed
2010	558,060	Not listed
2011	431,565	Not listed
2012	572,129	105.0
2013	171,017	100.0

Prior to listing on the ASX, Goldfields Money Limited was Goldfields Credit Union Limited, with member wealth represented by net profits which were reinvested into the company to provide ongoing benefits to its members. Upon listing, Goldfields Money Limited capital structure significantly changed.

The Board intends to develop a Long Term Incentive scheme for its KMP in the future.

## DIRECTOR'S REPORT (Continued)

### REMUNERATION REPORT (AUDITED)

#### Remuneration of key management personnel

		Short-term benefits			Post-employment	Long-term benefits	Total
		Salary & fees \$	Non-monetary benefits	Other	Super-annuation	Long service leave	
<b>Executive Directors</b>							
David Holden*	<b>2013</b>	<b>230,000</b>	-	-	<b>20,700</b>	-	<b>250,700</b>
	2012	31,486	-	-	2,866	-	34,352
<b>Other executives</b>							
Farley Fewkes#	<b>2013</b>	-	-	-	-	-	-
	2012	100,006	13,214	-	9,001	3,171	125,392
Michael Verkuylen^	<b>2013</b>	<b>150,000</b>	-	-	<b>13,500</b>	-	<b>163,500</b>
	2012	2,885	-	-	260	-	3,145
<b>Total</b>	<b>2013</b>	<b>380,000</b>	-	-	<b>34,200</b>	-	<b>414,200</b>
	2012	134,377	13,214	-	12,127	3,171	162,889

\*Appointed 11 May 2012

# Ceased being a KMP on 11 May 2012

^Appointed 25 June 2012

No performance related benefits were paid or payable for the year.

There were no options issued to any KMP as part of their remuneration.

#### 5. Executive Contracts

Remuneration arrangements for KMP are formalised in employment agreements. Details of these contracts are provided below.

##### Managing Director

Mr Holden, is employed under an ongoing contract which can be terminated with notice by either party.

Terms of the present contract are as follows:

- The MD receives fixed remuneration of \$230,000 per annum (plus superannuation contributions of 9% of ordinary earnings), increasing to \$250,000 per annum (plus superannuation of 9.25% from 1 July 2013).
- The MD's performance based incentive opportunity is up to 25% of his base salary

The company may terminate the agreement by providing Mr Holden with notice of termination or payment in lieu of notice up to an amount equivalent to 12 months' remuneration. Mr Holden may terminate his employment by providing 3 months notice in writing. Upon termination of the agreement, Mr Holden will be entitled to termination benefits in accordance with Part 2D.2 of the Corporations Act. The termination benefits (including any amount of payment in lieu of notice) must not exceed the amount equal to one times Mr Holden's average annual base salary in the last three years of service with the Company, unless the benefit has first been approved by Shareholders in general meeting. Mr Holden may be terminated immediately for serious misconduct without any requirement to a notice period or to be paid any compensation.

##### Other KMP

All other KMP have rolling contracts.

Standard KMP termination provisions are as follows:

	Notice period	Payment in lieu of notice
Resignation	3 months	3 months
Termination for cause	None	None

## DIRECTOR'S REPORT (Continued)

### REMUNERATION REPORT (AUDITED)

#### 6. Non-executive director remuneration arrangements (including statutory remuneration disclosures)

##### Remuneration policy

The board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to NEDs.

The Company's constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting. The aggregate fee pool was disclosed in the Demutualisation Booklet and Disclosure Statements which was accepted by the then members of Goldfields Credit Union and shareholders upon listing. The amount disclosed was an aggregate fee pool of \$65,000 per year.

The board will seek an increase for the NED pool at the 2013 AGM in order to ensure it has the ability to attract new directors as well as start to align the aggregate fee pool more closely with current market rates.

##### Structure

The remuneration of NEDs consists of directors' fees. The table below summarises the NED fees excluding superannuation contributions for FY13:

Type of Fee	Amount per annum
Chairman	\$16,000
Deputy Chairman	\$12,000
Non-executive Director	\$10,000

NEDs receive superannuation contributions of 9% of earnings (increasing to 9.25% from 1 July 2013) but do not receive any other retirement benefits, nor do they participate in any incentive programs.

The remuneration of NEDs for the year ended 30 June 2013 and 30 June 2012 is detailed in table below.

		Short-term benefits			Post-employment	Long-term benefits	Total
		Salary & fees \$	Non-monetary benefits	Other	Super-annuation	Long service leave	
<b>Non-executive directors</b>							
<b>Allan Pandal</b>	<b>2013</b>	<b>16,000</b>	-	-	<b>1,440</b>	-	<b>17,440</b>
	2012	12,667	-	-	1,140	-	13,807
<b>Ashton George *</b>	<b>2013</b>	-	-	-	-	-	-
	2012	6,600	-	-	594	-	7,194
<b>Bill McKenzie</b>	<b>2013</b>	<b>10,000</b>	-	-	<b>900</b>	-	<b>10,900</b>
	2012	7,667	-	-	690	-	8,357
<b>Leigh Junk</b>	<b>2013</b>	<b>12,000</b>	-	-	<b>1,080</b>	-	<b>13,080</b>
	2012	8,000	-	-	720	-	8,720
<b>Gregory Coyle *</b>	<b>2013</b>	-	-	-	-	-	-
	2012	6,600	-	-	594	-	7,194
<b>Robert Bransby ^</b>	<b>2013</b>	<b>10,000</b>	-	-	<b>900</b>	-	<b>10,900</b>
	2012	1,667	-	-	150	-	1,817
<b>Total</b>	<b>2013</b>	<b>48,000</b>	-	-	<b>4,320</b>	-	<b>52,320</b>
	2012	43,201	-	-	3,888	-	47,089

\* resigned 11 May 2012

^ Appointed 11 May 2012

#### End of Remuneration Report

**DIRECTOR'S REPORT (Continued)**

Signed in accordance with a Resolution of Directors

A handwritten signature in blue ink, appearing to read 'A E Pendal', written in a cursive style.

A E PENDAL - Chairman

Dated this 23<sup>rd</sup> day of August 2013

## CORPORATE GOVERNANCE STATEMENT

*The Board is responsible for the overall corporate governance of Goldfields Money Limited ("Goldfields Money" or the "Company") and acknowledges, as a guiding principle, that it will at all times act ethically, honestly and in accordance with the law, with a view to creating sustainable value for its Shareholders.*

The Board endorses the Corporate Governance Principles and Recommendations (2nd edition) (ASX Recommendations) as published by the ASX Corporate Governance Council and has adopted corporate governance charters and policies reflecting those ASX Recommendations, to the extent appropriate having regard to the size and circumstances of the Company. Details of Goldfields Money's corporate governance policies are available on the Company's website at [www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au) and may be accessed via the 'Shareholders' section.

The Company is pleased to advise that its practices are largely consistent with those of the ASX guidelines. Departures from the guidelines are discussed in the relevant section. Where the Company's corporate governance practices do not meet the ASX Corporate Governance Council recommended practices, the Company does not consider that the practices are appropriate for the Company due to the size and the nature of its operations.

The following table cross-references each recommendation of the ASX guidelines with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council's website.

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 1.2 Performance Evaluation	1.2
Recommendation 1.3 Reporting on Principle 1	1.1 and 1.2
Recommendation 2.1 Independent Directors	2.1
Recommendation 2.2 Independent Chairman	2.2
Recommendation 2.3 Chairman and CEO separate	2.3
Recommendation 2.4 Establishment of Nomination Committee	2.4
Recommendation 2.5 Basis of Performance Evaluation	2.5
Recommendation 2.6 Reporting on Principle 2	2.1 to 2.5
Recommendation 3.1 Directors' and Key Executives' Code of Conduct	3.1
Recommendation 3.2 Diversity Policy	3.2
Recommendation 3.3 Diversity objectives and progress to achievement	3.3
Recommendation 3.4 Proportion of Women	3.4
Recommendation 3.5 Reporting on Principle 3	3.1 to 3.4
Recommendation 4.1 Establishment of Audit Committee	4.1
Recommendation 4.2 Structure of Audit Committee	4.2
Recommendation 4.3 Audit Committee Charter	4.3
Recommendation 4.4 Reporting on Principle 4	4.1 to 4.3
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	5.1
Recommendation 5.2 Reporting on Principle 5	5.1
Recommendation 6.1 Communications Strategy	6.1
Recommendation 6.2 Reporting on Principle 6	6.1
Recommendation 7.1 Policies on Risk Oversight and Management	7.1
Recommendation 7.2 Risk management and internal control and managements attestation	7.2
Recommendation 7.3 Attestations by CEO or CFO	7.3
Recommendation 7.4 Reporting on Principle 7	7.1 to 7.3
Recommendation 8.1 Establishment of Remuneration Committee	8.1
Recommendation 8.2 Structure of Remuneration Committee	8.2
Recommendation 8.3 Executive and Non-Executive Director Remuneration	8.3
Recommendation 8.4 Reporting on Principle 8	8.1 to 8.3

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### 1. Solid Foundation for Management and Oversight

#### 1.1 *Functions of the Board and Management*

The Board's role is to govern Goldfields Money Limited rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board in carrying out its functions, it has developed a Code of Conduct to guide the Directors and Key Executive Officers in the performance of their roles.

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

- setting the strategic direction of the Company, establishing goals to ensure that these strategic objectives are met and monitoring the performance of management against these goals and objectives
- ensuring there are adequate resources available to meet the Company's objectives
- appointing the Managing Director, evaluating the performance and determining the remuneration of senior executives, and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning
- evaluating the performance of the Board and its Directors on an annual basis
- determining remuneration levels of Directors
- approving and monitoring financial reporting and capital management
- approving and monitoring the progress of business objectives
- ensuring necessary statutory licences are held and compliance measures are maintained to ensure compliance with the law and necessary licence(s)
- ensuring that adequate risk management procedures exist and are being used
- ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility
- ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company
- ensuring procedures are in place for ensuring the Company's compliance with the law.

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of Board committees. Specialist Board committees are able to focus on a particular responsibility and provide informed feedback to the Board.

To this end the Board has established the following committees:

- Audit & Risk Management Committee
- Credit Committee
- Remuneration Committee

The roles and responsibilities of these committees are discussed throughout this corporate governance statement, where relevant.

Beyond those matters, the Board has delegated authority to the Managing Director for management of the Company's affairs. The role of management is to support the Managing Director in the operations of the Company's business.

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available on the Company's website.

### **1.2 Performance Evaluation**

The performance of the Board and key executives is reviewed regularly against both measurable and qualitative indicators. The performance of non-executive Directors is discussed further below under 2.5. The remuneration committee conducts performance evaluations that involved an assessment of each Board member's and key executive's performance against specific and measurable qualitative and quantitative performance criteria.

The performance criteria against which Directors and executives are assessed are aligned with the financial and non-financial objectives of Goldfields Money Limited. The process for evaluating the performance of senior executives has also been described in the Remuneration Report, included as part of the Directors Report.

During the reporting period, the Board conducted performance evaluations that involved an assessment of each Board member's and key executive's performance against specific criteria.

The performance criteria are aligned to the requirements of directors to meet the responsibilities and principles as set out in Goldfields Money Limited Board Charter and other governance policies.

## **2. Board Structure**

### **2.1 Independent Directors**

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are stated in the Directors Report along with the term of office held by each of the Directors. Also included in the Directors Report are interests held in the Company by Directors. Directors are appointed based on the specific governance skills required by the Company and on the quality of their decision-making and judgment.

Appointment to the Board is based on merit against objective criteria that serve to ensure that Directors, collectively, have the full range of skills needed for the effective and prudent operation of the Company, and that each Director has skills that allow them to make an effective contribution to Board deliberations and processes.

In accordance with the Company's constitution, the Company must have not less than 5 and not more than 12 Directors. The Board must have a majority of independent Directors at all times.

An independent Director is a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. When determining the independent status of a Director, the Board will consider whether the Director is or was a substantial shareholder, involved in past management, a principal of an adviser or consultant to the Company, or is a supplier, customer or has a material contractual relationship with the Company.

The Board has assessed that all members of the Board, excluding the Managing Director are independent. Interests held by other Board members in the Company are not considered material.

The Board may seek independent professional advice at the Company's expense in carrying out of its duties with the approval of the Chairman. The Chairman must not unreasonably withhold his consent.

### **2.2 The Chair should be an Independent Director.**

The Chairman is an Independent Director.

### **2.3 The roles of Chair and Chief Executive Officer should not be exercised by the same individual**

The Company meets this recommendation. For this purpose, the Managing Director has been identified as the equivalent to the Chief Executive Officer.

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### **2.4 The Board should establish a nomination committee**

Given its relatively small size and stable structure, the Company has formed the view that a nomination committee is not necessary for the Company to achieve an effective system of corporate governance and the duties normally associated with this committee are carried out by the Board.

### **2.5 Companies should disclose the process for evaluating the performance of the Board, its committees and individual Directors**

The Company has adopted a Board Performance Evaluation Policy designed to provide a framework by which the performance of the Board, the various Board Committees, the Chairman and the Managing Director is assessed.

Each year the Board of Directors of Goldfields Money Limited will carry out an evaluation of its own performance. A copy of the Board Performance Evaluation Policy is available on the Company's website at [www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au).

## **3. Ethical and Responsible Decision Making**

### **3.1. Company Code of Conduct**

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders.

These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. The Company Code of Conduct was adopted by resolution of the Board and is available on the Company's website at [www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au).

The Company is committed to maintaining ethical standards in the conduct of its business activities. The Company's reputation as an ethical business organisation is important to its ongoing success. The Company expects all of its Directors, senior management and employees to be familiar with, and have a personal commitment to meeting, these standards. These standards go beyond mere compliance with laws and regulations. They also embrace the values which are essential to the Company's continued success.

The Code of Conduct requires Directors, senior management, employees and, where relevant and to the extent possible, contractors of the Company to adhere to the law and various policies of the Company referred to in this Code. The standards set out in the Code cannot, and do not try to, anticipate every situation which may pose a legal, ethical or moral issue. Therefore, the Code is not a prescriptive set of rules for business behaviour, but rather a practical set of principles giving direction to, and reflecting the Company's approach to, business conduct.

The Company's Directors, senior management and employees must conduct themselves with openness, honesty, fairness and integrity, and in the best interest of the Company in all business transactions and in all dealings with others including shareholders, employees, joint venture partners, suppliers, creditors, financiers, the financial markets, governments and the general public.

### **3.2-3.4 Diversity Policy, Diversity Objectives and Progress Towards Achievement and Portion of Women**

These principles aim to provide greater transparency of the processes adopted to support and encourage gender diversity in organisations. One of these measures involves adopting and disclosing a diversity policy, with measurable objectives for achieving gender diversity. At the date of this report, the Company does not meet with the diversity recommendations. The Board however is committed to the following principles:

- Goldfields Money believes that having a diverse workforce has important commercial and operational benefits. An equally important benefit of diversity is that it assists Goldfields Money in its ongoing efforts to make a positive contribution to the Australian community
- Goldfields Money is committed to treating all of its staff equally irrespective of their gender, race, age, ethnicity, sexual orientation, disability or any other irrelevant difference; having in place a corporate culture where all staff feel equally welcome and valued irrespective of their gender, race, age, ethnicity, sexual orientation or disability or any other irrelevant difference; and not discriminating in the employment of staff (including the appointment of Directors) based upon a potential candidate's gender, race, age, ethnicity, sexual orientation or disability or any other irrelevant difference

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

- Goldfields Money is committed to ensuring that any Board appointments are made without discriminating against a potential candidate on the basis of their gender, race, age, ethnicity, sexual orientation or disability or any other irrelevant difference.

### 4. Financial Reporting

#### 4.1 Audit & Risk Management Committee ("ARMC")

The ARMC was formed by resolution of the Board.

#### 4.2 Structure

The ARMC consists of three members. Members are appointed by the Board from amongst the Non-Executive Directors. The current members of the ARMC are Mr Bransby (Chairman), Mr Junk and Mr McKenzie. All members can read and understand financial statements and are otherwise financially literate. Mr Bransby is the Chairman of the Committee with experience in financial and accounting matters. The details of the member's qualifications may be found in the Directors Report.

The ARMC comprises a majority of Independent Directors. The ARMC met six times during the year.

#### 4.3 Charter

The responsibilities of the ARMC as listed in the Audit and Risk Management Committee Charter are:

- overseeing the financial reporting process on behalf of the Board;
- overseeing the Company's relationships with its external auditor and the external audit function generally; and
- monitoring the adequacy and effectiveness of accounting and financial controls, including the Company's policies and procedures to assess, monitor and manage business risk and legal and ethical compliance programs.

The ARMC reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements before submission to the Board and recommends their approval.

The ARMC also recommends to the Board the appointment of the external auditor and the internal auditor and, each year, reviews the appointment of the external auditor, their independence, the audit fee and any questions of resignation or dismissal.

A copy of the Audit and Risk Management Committee Charter is available on the Company's website at [www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au).

### 5 Disclosure

#### 5.1 Policy

The Board of the Company has in place a policy for disclosure of information, which includes a requirement that shareholders are fully informed to the extent required by any applicable disclosure rules and legislation on matters that may influence the price at which shares change hands in the Company.

The Company Secretary has been appointed as the person responsible for communications with the Australian Securities Exchange. This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

A copy of the Continuous Disclosure Policy is available on the Company's website at [www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au).

### 6 Shareholder Communication

#### 6.1 Communication Strategy

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through the ASX announcements platform, its website, information mailed to shareholders and the general meetings of the Company;

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

A copy of the Communications Policy is available on the Company's website at [www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au).

### 7 Risk

#### 7.1 Policies

The Company recognises that managing risk is an integral part of its day to day core business activities, and the better risk is managed, the more likely it is that the Company will achieve or exceed its objectives.

The Board of Directors is ultimately responsible for the effective management of the Company's risk. In addition, the Company's executives are responsible for ensuring effective risk management, including the implementation of strategies to reduce risks, within their operational area on a day to day basis.

Shareholder value is driven by the Company taking considered risks. Risks are assessed by identifying potential events and evaluating the combination of the consequences of an event and the associated likelihood of occurrence. Risks are then assessed against the Company's risk appetite to ensure they are within the boundaries of activity that the Board intends.

The Company maintains a formal, structured and systematic Risk Management Framework (RMF).

The purpose of the RMF is to enable the effective management and monitoring of risks across all areas of the business. It includes the following:

- Board policies
- Internal policies and management strategies
- Procedure and process manuals
- Internal audit function

A copy of the Risk Management Policy is available on the Company's website at [www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au).

#### 7.2 Risk management and internal control systems and management attestation

For the purposes of assisting investors to understand better the nature of the risks faced by the company, the Board has prepared a list of key risks as part of the Principle 7 disclosures. However the Board notes that this does not necessarily represent an exhaustive list and that it may be subject to change based on underlying market events.

- Credit risk
- Market risk
- Liquidity risk
- Operational risk
- Capital risk
- Strategic risk

As part of its duties, the company's internal auditor conducts a series of risk-based and routine reviews based on a plan agreed with management and the ARMC with the objective of providing assurance on the adequacy of the company's risk framework and the completeness and accuracy of risk reporting by management. In order to ensure the independence of the internal audit function, the internal auditor meets privately with the ARMC without management present on a regular basis and the ARMC is responsible for making the final decision on the internal audit's tenure and remuneration.

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Board monitors the company's business risk exposure and compliance with Board policies through a three stage process:

1. Audit and Risk Management Committee

The ARMC meets on a regular basis to examine the results of internal and external audit activity, and to consider risk and compliance issues.

2. Internal and external audit reviews

The internal audit function completes independent reviews of all business areas according to the Board approved plan. Internal audits include examination of compliance with Board and business policies and regulatory requirements in order to determine the extent to which risks are being managed and have been mitigated, and to provide performance improvement recommendations to management where appropriate. External auditors complete a review of the Company's risk management system and internal audit reports on a yearly basis to ensure continuing compliance with the Company's constitution, the APRA Prudential Standards, accounting standards, ASIC and the Corporations Act.

3. Annual review

All policies (Board and business) are reviewed at least annually by the executive responsible for the each business area to ensure ongoing compliance with the Prudential Standards and other relevant legislative requirements. This review also embraces current business practice to ensure that the controls established to manage and mitigate risks are designed to be effective and efficient. All Board policies are then forwarded to the relevant Board committee for their review and recommendation to the Board for adoption.

In accordance with section 295A of the Corporations Act, the Managing Director and CFO have provided a written statement to the Board that:

- Their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board
- The Company's risk management and internal compliance and control system is operating effectively in all material respects

### **7.3 Attestation by the Managing Director and the Chief Financial Officer**

The Board confirms that it has received the reports as stated in section 7.2 above in respect of the most recently completed financial year.

## **8 Remuneration Committee**

### **8.1-8.3 Establish a Remuneration Committee, Structure of Remuneration Committee and Executive and Non-executive Director Remuneration**

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the remuneration committee links the nature and amount of executive Directors' and officers' remuneration to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- Retention and motivation of key executives
- Attraction of high quality management Performance incentives that allow executives to share in the success of Goldfields Money Limited

For a full discussion of the Company's remuneration policy and framework and the remuneration received by Directors and executives in the current period please refer to the remuneration report, which is contained within the Directors' report.

There is no scheme to provide retirement benefits to non-executive Directors.

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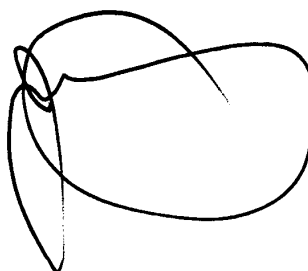
## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Goldfields Money Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS



Perth, WA  
Dated: 23 August 2013

J A KOMNINOS  
Partner

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Interest revenue	2	5,144,654	3,980,378
Interest expense	2	<u>(2,904,457)</u>	<u>(1,980,042)</u>
Net interest revenue	2	2,240,197	2,000,336
Non-interest revenue	2	446,567	463,378
Impairment losses on loans and advances	2	17,278	14,114
Other expenses	3	<u>(2,533,025)</u>	<u>(1,905,699)</u>
<b>Profit before income tax</b>		<b>171,017</b>	<b>572,129</b>
Income tax benefit/(expense)	4	<u>25,692</u>	<u>(103,678)</u>
<b>Profit for the year from continuing operations</b>		<b>196,709</b>	<b>468,451</b>
Other comprehensive income Items that will not be reclassified subsequently to profit or loss:			
Increase in asset revaluation reserve		<u>934</u>	<u>934</u>
<b>Total comprehensive income</b>		<b>197,643</b>	<b>469,385</b>
Basic earnings per share	30	0.013	0.28
Diluted earnings per share	30	0.013	0.28

The accompanying notes form part of these financial statements

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
Cash and cash equivalents	5	2,587,873	3,800,316
Due from other financial institutions	6	22,912,139	21,409,531
Loans and advances	7	83,281,109	49,062,795
Other financial assets	9	6,168,537	141,969
Other assets	10	280,618	127,940
Current tax asset	13	187,128	52,091
Property, plant and equipment	11	687,472	629,769
Intangible assets	12	297,185	169,587
Deferred tax assets	13	362,380	454,847
<b>TOTAL ASSETS</b>		<b>116,764,441</b>	<b>75,848,845</b>
<b>LIABILITIES</b>			
Deposits	14	100,682,597	60,315,619
Creditors and other payables	15	1,128,394	752,810
Provisions	16	186,465	139,563
Deferred tax liabilities	13	64,354	63,771
<b>TOTAL LIABILITIES</b>		<b>102,061,810</b>	<b>61,271,763</b>
<b>NET ASSETS</b>		<b>14,702,631</b>	<b>14,577,082</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>			
<b>Contributed equity</b>			
Issued capital	17	12,955,824	12,955,824
Other contributed equity	17	1,830,600	1,830,600
Equity raising costs	18	(1,017,130)	(945,036)
<b>Total contributed equity</b>		<b>13,769,294</b>	<b>13,841,388</b>
Property, plant and equipment revaluation reserve	19	154,451	153,517
General reserve for credit losses	19	216,130	139,993
Retained earnings		562,756	442,184
		<b>14,702,631</b>	<b>14,577,082</b>

The accompanying notes form part of these financial statements

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

Attributable to equity holders	Members' shares	Issued Capital	Equity Raising Costs	Other contributed equity	Property, Plant and Equipment Revaluation Reserve	Retained Profits	General Reserve for Credit Losses	General Reserve	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>As at 30 June 2011</b>	<b>10,700</b>	<b>-</b>	<b>(301,482)</b>	<b>-</b>	<b>152,583</b>	<b>-</b>	<b>113,726</b>	<b>5,775,852</b>	<b>5,751,379</b>
Profit for the year	-	-	-	-	-	468,451	-	-	468,451
Other comprehensive income	-	-	-	-	934	-	-	-	934
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>934</b>	<b>468,451</b>	<b>-</b>	<b>-</b>	<b>469,385</b>
Net redemption of members shares	(128)	-	-	-	-	-	-	-	(128)
Transfer reserves on demutualisation (Note 19)	-	5,775,852	-	-	-	-	-	(5,775,852)	-
Transfer of members shares to retained earnings on demutualisation (Note 17)	(10,572)	10,572	-	-	-	-	-	-	-
Issue of share capital (Note 17)	-	9,000,000	-	-	-	-	-	-	9,000,000
Issue of options (Note 17)	-	(1,830,600)	-	1,830,600	-	-	-	-	-
Equity raising costs (Note 18)	-	-	(643,554)	-	-	-	-	-	(643,554)
Transfer from/to retained earnings/general reserve for credit losses	-	-	-	-	-	(26,267)	26,267	-	-
<b>As at 30 June 2012</b>	<b>-</b>	<b>12,955,824</b>	<b>(945,036)</b>	<b>1,830,600</b>	<b>153,517</b>	<b>442,184</b>	<b>139,993</b>	<b>-</b>	<b>14,577,082</b>
Profit for the year	-	-	-	-	-	196,709	-	-	196,709
Other comprehensive income	-	-	-	-	934	-	-	-	934
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Equity raising costs – unwind of deferred tax	-	-	(72,094)	-	-	-	-	-	(72,094)
Transfer from/to retained earnings/general reserve for credit losses	-	-	-	-	-	(76,137)	76,137	-	-
<b>As at 30 June 2013</b>	<b>-</b>	<b>12,955,824</b>	<b>(1,017,130)</b>	<b>1,830,600</b>	<b>154,451</b>	<b>562,756</b>	<b>216,130</b>	<b>-</b>	<b>14,702,631</b>

The accompanying notes form part of these financial statements

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		5,043,786	3,956,709
Fees and commissions received		406,575	452,055
Dividends received		25,789	30,521
Other income		10,826	30,951
Interest and other costs of finance costs paid		(2,565,161)	(1,887,987)
Payments to suppliers and employees		(2,415,402)	(2,002,045)
Income tax paid		(87,456)	(280,113)
<b>Net cash provided by operating activities</b>	26(c)	<u>418,957</u>	<u>300,091</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net increase in loans, advances and other receivables		(34,201,036)	(4,665,037)
Net receipts/payments for investments		(7,545,460)	(13,466,758)
Payments for property, plant and equipment		(87,920)	(9,498)
Payments for intangible assets		(163,960)	(9,444)
<b>Net cash (used in) investing activities</b>		<u>(41,998,376)</u>	<u>(18,150,737)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net increase in deposits and other borrowings		40,366,976	8,861,641
Proceeds on issue of shares and options		-	9,000,000
Equity raising costs		-	(804,869)
Net decrease in member shares		-	(172)
<b>Net cash provided by financing activities</b>		<u>40,366,976</u>	<u>17,056,600</u>
Net increase/(decrease) in cash held		(1,212,443)	(794,046)
Cash and cash equivalents at beginning of the financial year		<u>3,800,316</u>	<u>4,594,362</u>
Cash and cash equivalents at the end of the financial year	26(a)	<u>2,587,873</u>	<u>3,800,316</u>

The accompanying notes form part of these financial statements

## NOTES TO THE FINANCIAL REPORT

### CORPORATE INFORMATION

Goldfields Money Limited (the “Company” or Goldfields Money”) provides a range of retail banking products and services to the public.

Goldfields Money Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 120 Egan Street, Kalgoorlie Western Australia. Goldfields Money is listed on the Australian Securities Exchange.

The financial statements for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of the directors on 23 August 2013.

### 1. SUMMARY OF ACCOUNTING POLICIES

#### Basis of preparation

This financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated. Cost is based on the fair values of the consideration given in exchange for assets.

The report is presented in Australian dollars.

Except as disclosed below, the accounting policies adopted are consistent with those disclosed in the Annual Financial Report for the year ended 30 June 2013. Certain comparative information has been reclassified to be presented on a consistent basis with the current year’s presentation.

#### Presentation of financial statements

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the notes to the financial statements.

#### Statement of compliance

The financial report complies with the Corporations Act 2001, Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

#### Changes in accounting policy and disclosures

The company has adopted all new and amended Australian Accounting Standards and Interpretations effective from 1 July 2012 including:

- AASB 2013-2 Amendments to AASB 1038 –Regulatory Capital
- AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]
- AASB 2011-3 and AASB 2012-8 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]
- AASB 2011-9 Amendments to Australian Accounting Standards -Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]

New and amended Standards and Interpretations did not result in any significant changes to the company’s accounting policies.

The company has not elected to early adopt any other new or amended Standards or Interpretations that are issued but not yet effective (refer Note 1(v)).

## NOTES TO THE FINANCIAL REPORT

### Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

#### (a) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

##### *Property*

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are undertaken when a material movement in the fair value of the land and buildings has been identified.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

##### *Plant and Equipment*

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

##### *Depreciation*

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of fixed asset</i>	<i>Depreciation rate</i>	<i>Method of Depreciation</i>
Buildings	2%	Straight-line
Office plant and equipment	15-33%	Straight-line
Motor vehicles	22.5%	Straight-line
Computer equipment and programs	20-33%	Straight-line

## NOTES TO THE FINANCIAL REPORT

### Significant accounting policies (Continued)

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### (b) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### (c) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits that are due to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the Company to the employee superannuation funds and are charged as expenses when incurred.

## NOTES TO THE FINANCIAL REPORT

### Significant accounting policies (Continued)

#### (d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### *Cash flows on net basis*

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Cash flows arising from deposits, share capital, and investments are presented on a net basis in the Statement of Cash Flows.

#### (e) Loans and advances

All loans are initially recognised at fair value, net of transaction costs incurred and inclusive of loan origination fees. Loans are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the loans using the effective interest method.

Loans and advances are reported at their recoverable amount representing the aggregate amount of principal and unpaid interest owing to the Company at the reporting date, less any allowance or provision for impairment.

All loans and advances are reviewed and graded according to the anticipated level of credit risk. The classification adopted is described below:

- Non-accrual loans - are loans and advances where the recovery of all interest and principal is considered to be reasonably doubtful and hence provisions for impairment are recognised.
- Restructured loans - arise when the borrower is granted a concession due to continuing difficulties in meeting the original terms. Loans with revised terms are included in non-accrual loans when impairment provisions are required.
- Past-due loans - are loans where payments of principal and/or interest are at least 90 days in arrears but due to mortgage security available full recovery of both principal and interest is expected.

#### (f) Impairment of financial assets

##### *Specific provision*

Losses for impaired loans are recognised when there is objective evidence that the impairment of a loan has occurred. Impairment losses are calculated on individual loans. The amount provided for impairment is determined by management and the Board to recognise the probability of loan amounts not being collected in accordance with terms of the loan agreement.

##### *Collective provision*

A collective provision is made for groups of loans with similar credit risk characteristics. Loans that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of impairment loss is based upon estimated losses incurred within the portfolio, based upon objective evidence of impairment, the estimated probability of default and the expected loss given default having regard to the historical experience of the Company. The provision increase or decrease is recognised in the statement of comprehensive income.

##### *General reserve for credit losses*

In addition to the above provisions, the Board has recognised the need to make an allocation from retained earnings to ensure there is adequate protection for equity holders against the prospect that some loans and advances will experience loan repayment difficulties. The reserve is based on estimation of potential risk in the loan portfolio based upon: the level of security taken as collateral.

## NOTES TO THE FINANCIAL REPORT

### Significant accounting policies (Continued)

(g) Impairment of property, plant and equipment

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Bad debts written off

Bad debts are written off when identified. If a provision for impairment has been recognised in relation to a loan, write-offs for bad debts are made against the provision. If no provision for impairment has previously been recognised, write-offs for bad debts are recognised as expenses in the statement of comprehensive income.

(i) Deposits

Savings and term deposits are quoted at the aggregate amount of money owing to depositors. Interest on savings deposit balances is calculated and accrued on a daily basis at current rates and credited to depositors' accounts on a monthly basis. Interest on term deposits is calculated and accrued on a daily basis at agreed rates and is paid or credited to depositors in accordance with the terms of the deposit.

(j) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the loans and borrowings using the effective interest method.

(k) Payables

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. The terms and conditions for creditors and other liabilities are payable between 7 and 30 days.

(l) Recognition of revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The principal sources of revenue are interest income, fees and commissions.

*Interest revenue*

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to financial assets.

*Fees and commissions*

Fees and commissions are recognised upon the rendering of the service to the customers.

*Dividends*

Revenue is recognised when the shareholders' right to receive the payment is established.

(m) Financial instruments

The Company utilises a range of financial instruments. Financial instruments are classified and measured as follows:

## NOTES TO THE FINANCIAL REPORT

### Significant accounting policies (Continued)

#### *Loans and advances*

This category includes non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, refer Note 1(e) for further details.

#### *Held to maturity investments*

This category includes non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Company has a positive intention and ability to hold to maturity. They are measured at amortised cost.

#### *Available for sale assets*

This category includes investments in equity instruments. Available-for-sale financial assets are recognised on acquisition at cost on a trade date basis and thereafter at fair value. Changes in the fair value of available-for-sale assets are reported in the revaluation reserve net of applicable income taxes until the investments are sold, collected or otherwise disposed of, or until such investments are impaired. On disposal the accumulated change in fair value is transferred to the statement of comprehensive income.

#### *Other financial liabilities*

These liabilities are measured at amortised cost. Investments in shares which do not have a quoted market price in an active market and are not capable of being reliably valued are measured at cost less any provision for impairment.

#### (n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (o) Intangibles

##### *Computer Software*

Costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to computer software. Costs capitalised include external direct costs of materials, service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

#### (p) Contingent liabilities and commitments

Transactions are classified as contingent liabilities where the company's obligations depend on uncertain future events and principally consist of obligations to third parties.

Items are classified as commitments where the company has irrevocably committed itself to future transactions. These transactions will either result in the recognition of an asset or liability in future periods.

#### (q) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

##### *Operating leases*

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis in the

## NOTES TO THE FINANCIAL REPORT

### Significant accounting policies (Continued)

Income Statement over the life of the lease. The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is the shorter.

(r) Earnings per share

Basic earnings per share is calculated by dividing the entity's profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings per share is calculated by dividing the entity's profit attributable to ordinary equity holders by the weighted average number of ordinary shares that would be issued on the exchange of all the dilutive potential ordinary shares into ordinary shares.

(s) Comparative information

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

(t) Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

### Key estimates – Impairment Losses on Loans and Advances

Loans and advances are recognised at recoverable amount, after assessing required provisions for impairment. Impairment of a loan is recognised when there is reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the loan agreement. Impairment is assessed by specific identification in relation to individual loans and by estimation of expected losses in relation to loan portfolios where specific identification is impracticable. The loan interest is calculated on the daily balance and is charged in arrears to a customer's account on the last day of each month.

Bad debts are written off when identified. If a provision for impairment has previously been recognised in relation to a loan, write-offs for bad debts are made against the provision. If no provision for impairment has previously been recognised, write-offs for bad debts are recognised as expenses in the Statement of Comprehensive Income.

All loans and advances are reviewed and graded according to the anticipated level of credit risk. The classification adopted is described below:

- Non-accrual loans, being loans classified as categories two, three and four under the APRA Prudential Standard APS 220 - Credit Quality, where statutory provisioning is required.
- Restructured loans, consisting of all loans for which the original contractual terms have been revised to provide for concessions of interest, principal or repayment. Loans with revised terms are included in non-accrual loans when impairment provisions are required.  
Other real estate and assets owned are assets acquired in full or partial settlement of a loan or similar facility through enforcement of security arrangements.
- Past due loans, consisting of loans classified as category one under APS 220 where payments of principal or interest are at least 90 days in arrears but the loans are well secured.

(u) Adoption of New and Revised Accounting Standards

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('the AASB') that are relevant to the operations of the Company and effective for reporting periods beginning on or after 1 July 2012.

The adoption of these Standards has not impacted the recognition, measurement and disclosure the company's transactions.

## NOTES TO THE FINANCIAL REPORT

### Significant accounting policies (Continued)

#### (v) New Accounting Standards for Application in Future Periods

A number of Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ended 30 June 2013. The effect of these new or amended Accounting Standards is expected to give rise to additional disclosures and new policies being adopted. The new standard is not expected to significantly affect the company's accounting policies, financial position or performance. Refer below for the Standards and Interpretations relevant to Goldfields Money that are not yet effective and have not been early adopted.

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 13	<i>Fair Value Measurement</i>	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	1 July 2013
AASB 119	<i>Employee Benefits</i>	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.	1 July 2013	1 July 2013

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 9	<i>Financial Instruments</i>	<p>AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.</p> <ul style="list-style-type: none"> <li>a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</li> <li>b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</li> <li>c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</li> <li>d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ul style="list-style-type: none"> <li>• The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</li> <li>• The remaining change is presented in profit or loss</li> </ul> </li> </ul> <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.</p>	1 January 2015	1 July 2015
AASB 2012-2	Amendments to Australian Accounting Standards - <i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i>	<p>AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of the effect or potential effect of netting arrangements. This includes rights of set-off associated with the entity's recognised financial assets and liabilities on the entity's financial position, when the offsetting criteria of AASB 132 are not all met.</p>	1 January 2013	1 July 2013

**2. STATEMENT OF COMPREHENSIVE INCOME**

**(a) Net interest income**

	Average balance \$	Interest \$	Average Rate %
<b>2013</b>			
Cash at bank and other liquid assets	33,460,410	1,311,990	3.92
Loans and advances	64,112,378	3,832,664	5.98
	<u>97,572,788</u>	<u>5,144,654</u>	<u>5.27</u>
Deposits	84,114,734	2,904,457	3.45
	<u>84,114,734</u>	<u>2,904,457</u>	<u>3.45</u>
Net interest income		<u>2,240,197</u>	<u>1.82</u>
<b>2012</b>			
Cash at bank and other liquid assets	13,192,251	552,265	4.19
Loans and advances	46,963,361	3,428,113	7.33
	<u>60,155,612</u>	<u>3,980,378</u>	<u>6.64</u>
Deposits	53,356,893	1,980,042	3.71
	<u>53,356,893</u>	<u>1,980,042</u>	<u>3.71</u>
Net interest income		<u>2,000,336</u>	<u>2.93</u>

**(b) Non-interest revenue**

	2013 \$	2012 \$
Other operating income		
Lending fees	77,405	68,450
Commissions and other fees	329,170	333,454
Dividends received	25,789	30,521
Insurance income	372	-
Bad debts recovered	4,860	2,325
Profit on sale of assets	3,378	-
Other	5,593	28,628
	<u>446,567</u>	<u>463,378</u>

**(c) Impairment losses on loans and advances**

Impairment (reversal)/expense	<u>(17,278)</u>	<u>(14,114)</u>
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**3. PROFIT BEFORE INCOME TAX**

**2013**

**2012**

**\$**

**\$**

Profit before income tax has been determined after:

Interest expense	2,904,457	1,980,042
Other expenses		
Staff related costs		
Salaries and wages	989,149	493,860
Superannuation	83,329	45,199
Other	17,539	21,463
Depreciation	33,594	32,773
Amortisation	36,363	32,924
Administrative expenses		
Advertising and promotions	118,881	98,675
Directors' fees	52,320	47,088
Demutualisation costs	-	235,162
Computer system and software costs	144,613	122,670
Communication and website costs	128,463	127,311
Insurance costs	95,723	55,564
Accounting, Audit and Consulting costs	185,631	131,096
Products and services delivery costs	291,204	272,676
Occupancy costs	131,201	72,284
ASX and registry fees	49,541	-
General administrative costs	175,474	116,954
Total other expenses	2,533,025	1,905,699

**4. INCOME TAX**

(a) The components of tax (benefit)/expense comprise

Current tax	(48,417)	140,224
Deferred tax	21,538	(39,821)
Adjustment of current tax in prior years	1,187	3,275
	(25,692)	103,678

The prima facie income tax payable on the operating profit is reconciled as follows:

(b) Profit before tax	171,017	572,129
Prima facie income tax expense on profit before income tax at 30%	51,305	171,639
Adjustment of current tax in prior years	1,187	3,275
Tax effect of:		
Equity raising costs	(71,236)	(71,236)
Other non-allowable items	(6,948)	-
	(25,692)	103,678

**5. CASH AND CASH EQUIVALENTS**

Cash on hand	265,601	213,491
Cash at bank	2,322,272	3,586,825
	2,587,873	3,800,316

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>6. DUE FROM OTHER FINANCIAL INSTITUTIONS</b>		
Deposits with Authorised Deposit-taking Institutions	22,912,139	21,409,531
Maturity analysis		
- Not longer than 3 months	21,912,139	21,409,531
- Longer than 3 and not longer than 12 months	1,000,000	-
	22,912,139	21,409,531
<b>7. LOANS AND ADVANCES</b>		
Overdrafts	805,885	942,290
Term loans	82,479,146	48,154,021
	83,285,031	49,096,311
Provision for impairment	(3,922)	(33,516)
	83,281,109	49,062,795
Maturity analysis – gross loans and advances		
- Overdrafts	805,885	942,290
- Not longer than 3 months	9,149	1,881
- Longer than 3 and not longer than 12 months	1,313,123	51,539
- Longer than 1 and not longer than 5 years	9,363,295	4,293,252
- Longer than 5 years	71,793,579	43,807,349
	83,285,031	49,096,311
<b>8. PROVISION FOR IMPAIRED LOANS</b>		
The policy relating to the recognition of impaired assets is set out in Note 1(f).		
(a) Total provision comprises		
Specific provisions	3,922	33,516
Collective provisions	-	-
	3,922	33,516
(b) Specific provision for impairment		
Opening balance	33,516	22,938
Bad and doubtful debts provided for during the year	-	10,386
Unused amounts reversed	(17,278)	-
Bad debts written off during the year	(12,316)	192
Closing balance	3,922	33,516
(c) Collective provision for impairment		
Opening balance	-	24,884
Bad and doubtful debts provided for during the year	-	-
Unused amounts reversed	-	-
Bad debts written off during the year	-	(24,884)
Closing balance	-	-

<b>8.</b>	<b>PROVISION FOR IMPAIRED LOANS (continued)</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
(d)	Net charge/(credit) to statement of comprehensive income for bad and doubtful debts comprises of:		
	Specific & collective provision	(17,728)	(14,307)
	Bad debts recovered	(4,860)	(2,325)
		<u>(22,588)</u>	<u>(16,632)</u>
(e)	Grading of credit risk loans		
	Non accrual loans	361,357	259,628
	Provision for impairment	(3,922)	(33,516)
		<u>357,435</u>	<u>226,112</u>
	Restructured loans	53,536	293,053
	Provision for impairment	-	-
		<u>53,536</u>	<u>293,053</u>
<b>9.</b>	<b>OTHER FINANCIAL ASSETS</b>		
	Shares in unlisted corporations (a)	141,969	141,969
	Investment Securities (b)	6,026,568	-
		<u>6,168,537</u>	<u>141,969</u>
	Maturity analysis – Investment Securities		
	- Not longer than 3 months	-	-
	- Longer than 3 and not longer than 12 months	1,005,320	-
	- Longer than 1 and not longer than 5 years	5,021,248	-
	- Longer than 5 years	-	-
		<u>6,026,568</u>	<u>-</u>
(a)	The shareholding in CUSCAL Ltd (“CUSCAL”) is classified as available for sale and is measured at cost as its fair value could not be measured reliably. These shares are held to enable the Company to receive essential banking services - refer to note 22. The shares are not able to be traded and are not redeemable. The financial reports of CUSCAL record net tangible asset backing of these shares exceeding their cost value. Based on the net assets of CUSCAL, any fair value determination on these shares is likely to be greater than their cost value, but due to the absence of a ready market, a market value is not able to be determined readily. The Company is not intending to dispose of these shares.		
(b)	Investment securities are investments in floating rate notes issued by other Authorised Deposit Taking Institutions. These investments are accounted for using the amortised cost method. Refer to Note 1(m).		
<b>10.</b>	<b>OTHER ASSETS</b>		
	Accrued interest receivable	137,082	19,929
	Prepayments	110,381	94,137
	Other debtors	33,155	13,874
		<u>280,618</u>	<u>127,940</u>

Other assets are non-interest bearing with various maturities of less than 12 months.

<b>11. PROPERTY, PLANT AND EQUIPMENT</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Land – Independent valuation	248,500	248,500
Buildings – Independent valuation		
Cost	386,500	386,500
Accumulated depreciation	(48,838)	(41,108)
	337,662	345,392
Office plant and equipment		
Cost	221,119	161,373
Accumulated depreciation	(161,761)	(152,802)
	59,358	8,571
Motor vehicles		
Cost	40,971	34,723
Accumulated depreciation	(9,193)	(22,112)
	31,778	12,611
Computer equipment		
Cost	213,130	210,205
Accumulated depreciation	(202,956)	(195,510)
	10,174	14,695
<b>Total property, plant and equipment</b>	<b>687,472</b>	<b>629,769</b>

The Company's land and buildings were externally valued July 2007 by an independent licensed valuer. The valuation was made on the basis of open market value. The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in shareholders' equity. Based on the Directors assessment the Company believes there have been no material movements in the value of the land and buildings since its last valuation.

Reconciliations of the carrying value for each class of property, plant and equipment are set out below:

	<b>Land</b>	<b>Buildings</b>	<b>Office plant &amp; equipment</b>	<b>Motor vehicle</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2013</b>						
Balance at beginning of year	248,500	345,392	8,571	12,611	14,695	629,769
Additions	-	-	59,745	40,971	2,924	103,640
Disposals	-	-	-	(12,611)	-	(12,611)
Transfers	-	-	-	-	-	-
Depreciation	-	(7,730)	(8,958)	(9,193)	(7,445)	(33,326)
<b>Balance at end of year</b>	<b>248,500</b>	<b>337,662</b>	<b>59,358</b>	<b>31,778</b>	<b>10,174</b>	<b>687,472</b>
	<b>Land</b>	<b>Buildings</b>	<b>Office plant &amp; equipment</b>	<b>Motor vehicle</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2012</b>						
Balance at beginning of year	248,500	353,122	12,427	20,425	18,570	653,044
Additions	-	-	3,950	-	5,548	9,498
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Depreciation	-	(7,730)	(7,806)	(7,814)	(9,423)	(32,773)
<b>Balance at end of year</b>	<b>248,500</b>	<b>345,392</b>	<b>8,571</b>	<b>12,611</b>	<b>14,695</b>	<b>629,769</b>

<b>12. INTANGIBLE ASSETS</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Computer software		
Cost	433,489	269,498
Accumulated amortisation	(136,304)	(99,911)
	<u>297,185</u>	<u>169,587</u>
Movements		
Balance at beginning of the year	169,587	193,066
Additions	163,991	9,445
Disposals	-	-
Amortisation	(36,393)	(32,924)
Balance at end of the year	<u>297,185</u>	<u>169,587</u>

Intangible assets have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of comprehensive income.

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>13. DEFERRED TAX</b>		
(a) Assets		
Deferred tax assets comprise:		
Provision for doubtful debts	1,177	10,055
Accrued expenses	14,243	13,520
Provisions	55,940	41,869
Demutualisation and equity raising costs	279,967	389,403
Carry forward losses and franking credits	11,053	-
	<u>362,380</u>	<u>454,847</u>
Movements		
Balance at beginning of the year	454,847	252,271
Credited to profit or loss	(19,515)	41,262
Credited directly to equity	(72,952)	161,314
Balance at the end of the year	<u>362,380</u>	<u>454,847</u>
(b) Liabilities		
Current tax asset/(liability)	<u>187,128</u>	<u>52,091</u>
Deferred tax liabilities comprise:		
Property, plant and equipment	62,504	63,028
Other	1,850	743
	<u>64,354</u>	<u>63,771</u>
Movements		
Balance at beginning of the year	63,771	63,265
Credited to equity	(934)	(934)
Credited directly to profit or loss	1,517	1,440
Balance at the end of the year	<u>64,354</u>	<u>63,771</u>

<b>14. DEPOSITS</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Call deposits	23,955,264	24,873,119
Term deposits	76,727,333	35,442,500
	<u>100,682,597</u>	<u>60,315,619</u>
 Maturity analysis		
- On call	23,955,264	24,873,119
- Not longer than 3 months	43,652,342	19,378,120
- Longer than 3 months and not longer than 12 months	33,074,991	16,064,380
- Longer than 1 and not longer than 5 years	-	-
	<u>100,682,597</u>	<u>60,315,619</u>

There is no deposit exposure to any individual or group of customers which represents 5% or more of the Company's total liabilities.

<b>15. CREDITORS AND OTHER PAYABLES</b>		
Accrued interest payable	837,124	497,828
Payables and accrued expenses	291,270	254,982
	<u>1,128,394</u>	<u>752,810</u>

Payables are non-interest bearing and are normally settled on 30 day terms.  
Due to the short term nature of these payables, their carrying value is approximate their fair value.

<b>16. PROVISIONS</b>		
Employee entitlements		
Current	146,828	106,895
Non-current	39,637	32,668
	<u>186,465</u>	<u>139,563</u>

**17. MEMBER SHARES AND ISSUED CAPITAL**

<b>a) Issued capital</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
15,666,829 fully paid ordinary shares (2012: 15,666,829 fully paid ordinary shares)	12,955,824	12,955,824
Movements in ordinary shares on issue:	<b>Number of</b>	<b>Number of</b>
	<b>shares</b>	<b>shares</b>
Beginning of the financial year	15,666,829	-
Transfer of 2,643 GCU member shares into issued capital and subdivision into 2,303 ordinary shares in Goldfields Money Limited (2,643 x 2,303)	-	6,086,829
Shares issued under Prospectus	-	9,580,000
Options issued attached to ordinary shares	-	(1,830,600)
Transfer of members General Reserve to Issued Capital	-	5,775,852
End of financial year	15,666,829	12,955,824

*Terms and conditions of ordinary shares*

The Company does not have authorised capital nor par value in respect of its issued capital.

Ordinary fully paid shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary fully paid shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

<b>b) Other contributed equity</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the period	1,830,600	-
Value of options issued under Prospectus	-	1,830,600
Balance at the end of the period	1,830,600	1,830,600

As part of the public offer of ordinary shares in Goldfields Money Limited in May 2012, 4,500,000 options were issued, with one option attached to every two ordinary shares subscribed to under the offer.

The options are unlisted, have an exercise price of \$1.50 and an expiry date of 11 May 2019. The options allow the holder to one ordinary share upon exercise. There were no options exercised in the years ended 30 June 2013 or 2012.

The fair value of options under the offer was estimated as at the date of grant using a Binomial option pricing model, which take account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option.

The following table lists the inputs to the model used for determining the value of the options at the grant date:

Date of Grant	11 May 2012
Dividend yield	0%
Expected volatility	50%
Risk-free interest rate	3.42%
Expected life of option	7 years
Fair value of options issued during the year ended 30 June 2012 (per option)	\$0.4068

The fair of the options has been recognised as other contributed equity.

<b>18. EQUITY RAISING COSTS</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	945,036	301,482
Transaction costs	-	1,082,581
Demutualisation costs recognised in the income statement	-	(235,326)
Deferred tax recognised directly in equity	72,094	(203,701)
Balance at the end of the year	<u>1,017,130</u>	<u>945,036</u>

As part of the demutualisation and equity raising described above, Goldfields Money Limited incurred costs associated firstly with demutualisation and secondly with the issuing of new shares upon listing on the ASX.

Transaction costs that are associated with the listing of equity already on issue has been recognised in profit and loss (note 2). The transaction costs of an new equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Transaction costs include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties.

## **19. RESERVES**

### **(a) Property, Plant and Equipment Revaluation Reserve**

The asset revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

### **(b) General Reserve for Credit Losses**

The General Reserve for Credit Losses was established for the purpose of recognising in the accounts a provision for credit losses required for regulatory purposes. Transfers to this reserve are by way of appropriations out of profit after tax. The policy relating to the determination of general reserve for credit losses is set out in Note 1(f).

### **(c) General Reserves**

The general reserve recorded funds set aside for future expansion of the Company. Following the demutualisation of Goldfields Credit Union Limited and listing of Goldfields Money Limited, the General Reserve balance was transferred to issued capital.

<b>20. AUDITOR'S REMUNERATION</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
The auditor of Goldfields Money Limited is RSM Bird Cameron Partners		
Amounts received or due and receivable by RSM Bird Cameron Partners for:		
- Audit services	79,925	72,750
- Tax compliance	5,445	12,910
- Non-audit services	6,875	20,000
	<u>92,945</u>	<u>105,660</u>

**21. STANDBY BORROWING FACILITIES**

The Company has an overdraft facility of \$1,200,000 (2012: \$1,200,000) with CUSCAL Ltd which is secured by a floating charge over its assets. As at 30 June 2013, the entire facility was unused.

**22. SERVICE CONTRACTS**

The Company has service contracts with and is economically dependent upon the following suppliers:

- (a) CUSCAL Ltd  
CUSCAL provides central banking services, chequing services, card services, settlement services, and maintains the applications software used by the Company. This company operates the switching computer used to link Redicards operated through Reditellers, and other approved electronic funds transfer suppliers, to the Company's computer system.
- (b) The System Works  
This company, an Integrated Data Processing Centre, provided and maintained the computer mainframe hardware utilised by the Company.

**23. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

No matters or circumstances of a material nature have arisen since the end of the financial year which in the opinion of the Directors significantly affected or may significantly affect the operations of the Company, the results of the operations or the state of affairs of the Company in future financial years.

**24. COMMITMENTS AND CONTINGENT LIABILITIES**

- (a) Capital expenditure commitments  
There were no capital expenditure commitments at the reporting date.

- (b) Outstanding loan commitments

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Loans approved but not advanced	3,517,703	1,180,823
Loan funds available for redraw	3,353,612	2,997,779
	<u>6,871,315</u>	<u>4,178,602</u>

- (c) Outstanding overdraft commitments

Overdraft facilities approved but not disbursed	<u>657,121</u>	<u>553,066</u>
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- (d) Lease commitments

During the period, the company renewed its lease in connection with the Esperance Branch. In addition, the company entered into a new lease in connection with its new premises in Claremont, Western Australia.

The Company has obligations under the terms of these leases of its office premises for terms of up to 3 years, there are contractual options to extend the leases. Lease payments are payable in advance by equal monthly instalments due on the 1st day of each month.

**24. COMMITMENTS AND CONTINGENT LIABILITIES (continued)**

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2013 are as follows:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Due not later than one year	84,022	9,809
Due later than one year and not later than five years	112,049	-
	<u>196,071</u>	<u>9,809</u>

There were no other commitments or contingent liabilities at the reporting date

**25. SEGMENT INFORMATION**

For management purposes, the Company is organised into one main business segment, which is the provision of financial products and services predominately in Western Australia. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole. The company operated in one geographical segment being Australia.

**26. NOTES TO THE STATEMENT OF CASH FLOWS**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand and at bank (Note 5)	<u>2,587,873</u>	<u>3,800,316</u>
(b) Cash flows presented on a net basis		
Cash flows arising from the following activities are presented on a net basis in the cash flow statement:		
(i) deposits in and withdrawals from savings and other deposit accounts;		
(ii) loans made and repayments by customers;		
(iii) sales and purchases of maturing certificates of deposit; and		
(iv) short-term borrowings.		
(c) Reconciliation of net cash provided by operating activities to operating profit after income tax		
Operating profit after income tax	196,709	468,451
<i>Non-cash items</i>		
Amortisation	36,363	32,924
Depreciation	33,594	32,773
Gain on disposal of PPE	(3,378)	-
Notional interest	16,285	-
Impairment of receivables	(17,278)	(14,114)
<i>Movement in assets and liabilities</i>		
Other assets	(152,678)	(117,855)
Deferred tax assets	20,373	(41,262)
Current tax payable	(135,037)	(136,612)
Payables	375,584	87,829
Deferred tax liabilities	1,517	1,440
Provisions	46,903	(13,483)
	<u>418,957</u>	<u>300,091</u>

## 27. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value has been determined on the basis of the present value of expected future cash flows under the terms and conditions of each financial asset and financial liability. Significant assumptions used in determining the cash flows are that the cash flows will be consistent with the contracted cash flows under the respective contracts. The information is only relevant to circumstances at the reporting date and will vary depending on the contractual rates applied to each asset and liability, relative to market rates and conditions at the time. No assets held are regularly traded by the Company, and there is no active market to assess the value of the financial assets and liabilities.

	Aggregate net fair value		Amount per the statement of financial position	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	\$	\$	\$	\$
<b>FINANCIAL ASSETS</b>				
Cash	2,587,873	3,800,316	2,587,873	3,800,316
Due from other financial institutions	22,912,139	21,409,531	22,912,139	21,409,531
Loans and advances	83,278,156	49,096,311	83,281,109	49,062,795
Investment securities	6,071,060	-	6,026,568	-
Other financial assets	141,969	141,969	141,969	141,969
Total financial assets	114,991,197	74,448,127	114,949,658	74,414,611
<b>FINANCIAL LIABILITIES</b>				
Deposits	100,682,597	60,315,619	100,682,597	60,315,619
Creditors and other payables	1,128,394	752,810	1,128,394	752,810
Total financial liabilities	101,810,991	61,068,429	101,810,991	61,068,429

The fair value estimates were determined by the following methodologies and assumptions:

### *Due from other financial institutions*

The carrying values of cash and liquid assets and receivables due from other financial institutions redeemable within 12 months approximate their fair value as they are short term in nature or are receivable on demand.

### *Loans and advances*

The carrying value of loans and advances is net of provisions for doubtful debts. For variable rate loans, (excluding impaired loans) the amount shown in the statement of financial position is considered to be a reasonable estimate of fair value. For fixed rate loans the fair values are based on cash flows discounted at a rate reflecting current market rates adjusted for counter party credit risk. The fair value of impaired loans was calculated by discounting expected cash flows using a rate which includes a premium for the uncertainty of the flows.

### *Deposits*

The fair value of call and variable rate deposits, and fixed rate deposits repricing within 12 months, is the amount shown in the statement of financial position. Discounted cash flows were used to calculate the fair value of other term deposits, based upon the deposit type and the rate applicable to its related period maturity.

### *Creditors and other payables*

The carrying values of payables approximate fair value as they are short term in nature and reprice frequently.

### *Other financial assets*

Refer to Note 10.

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The Company has exposure from its use of financial instruments to market, credit, liquidity and operational risk. This note presents information about the Company's exposure to each of the above risks, the objectives, policies and processes for measuring and managing those risks, and the Company's management of capital.

**28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**Risk management framework**

The Company's activities expose it to a variety of risks: credit risk, interest rate risk, liquidity risk and operational risk being the most relevant to the Company. This note presents information about the Company's exposure to each of the above mentioned risks and the objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout this note and this financial report and further qualitative disclosures are included in the Corporate Governance Statement.

During the year the Company continued to develop and improve its Risk Management Framework.

**Risk management roles and responsibilities**

*Board of Directors*

The Board of Directors is responsible for the overall risk management framework and approving risk strategies and principles. The prudential standards issued by the Australian Prudential Regulation Authority (APRA) addresses risk management requirements and the Board focuses strongly on the need for compliance within the Company.

*Audit and Risk Management Committee*

Risk management is overseen by an Audit and Risk Management Committee comprising directors of the Company. It has responsibility for development of the risk strategy and implementation and managing and monitoring relevant risk decisions including policies and limits.

*Managing Director & Executive Management*

The Managing Director is responsible for the ongoing management of the Risk Management Framework including its periodic review and renewal subject to requisite Board direction and approvals. Executive Management are responsible for implementing the Board-approved risk management strategy and for developing policies, procedures, processes and controls for identifying and managing risks.

*Internal Audit*

Risk management processes in the Company are audited regularly by the internal audit function, conducted by an external service provider which examines both the adequacy of the procedures and compliance with the procedures. The results of the work of the internal audit function, are tabled to management and to the Audit and Risk Management Committee.

**Risk Measurement and Reporting Systems**

Monitoring and controlling risks is primarily performed based on limits established by the Board of the company. These limits reflect the business strategy and market environment of the company as well as the level of risk the company is willing to accept.

Information is compiled, exemplified and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Audit & Risk Management Committee and/or the Board of Directors or an appropriate Board committee. The reporting includes aggregate counterparty credit exposures, delinquency summary, loan security summary, loan type exposures, liquidity ratios, VaR, earnings at risk and significant changes to risk profile. The Board and/or Audit & Risk Management Committee receives summarised risk reporting on key risk measures.

**Risk Mitigation**

The company actively manages risk through a framework that includes use of collateral, delegations, limit frameworks and credit concentrations.

**(a) Market risk**

The objective of the Company's market risk management is to minimise risk and optimise desired return by managing and controlling market risk. Market risk is the risk that changes in interest rates, foreign exchange rates or other prices and volatilities that will have an adverse effect on the Company's financial condition or results. Management of market risk is the responsibility of senior management, who report directly to the Board.

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (i) Interest rate risk

Interest rate risk is the risk of variability of the fair value of future cash flows arising from financial instruments due to the changes in interest rates. The Company does not operate a trading book or involve itself in foreign exchange, commodities or equity markets. The Company is exposed only to interest rate risk arising from changes in market interest rates.

### (ii) Interest rate risk in the banking book

The Company is exposed to interest rate risk in its banking book due to mismatches between the repricing dates of assets (loans and advances and investments) and liabilities (deposits). The interest rate risk in the banking book is monitored by management. The level of mismatch on the banking book is set out in the tables below which displays the period that each asset and liability will reprice as at the balance date.

2013	Weighted Average Effective Interest Rate %	Floating Interest Rate	Fixed interest rate		Non-interest bearing	Amount per statement of financial position
			1 year or less	1 to 5 years		
<b>FINANCIAL ASSETS</b>						
Cash and liquid assets	0.50	2,322,272	-	-	265,601	<b>2,587,873</b>
Due from other financial institutions	3.83	7,925,456	14,986,683	-	-	<b>22,912,139</b>
Loans and advances	5.70	78,122,979	-	5,158,130	-	<b>83,281,109</b>
Investment Securities	4.72	6,026,568	-	-	-	<b>6,026,568</b>
Other investments	-	-	-	-	141,969	<b>141,969</b>
<b>Total financial assets</b>		<b>94,397,194</b>	<b>14,986,683</b>	<b>5,158,130</b>	<b>407,570</b>	<b>114,949,658</b>
<b>FINANCIAL LIABILITIES</b>						
Deposits	3.41	23,955,264	76,727,333	-	-	<b>100,682,597</b>
Creditors and other payables	-	-	-	-	1,128,394	<b>1,128,394</b>
<b>Total financial liabilities</b>		<b>23,955,264</b>	<b>76,727,333</b>	<b>-</b>	<b>1,128,394</b>	<b>101,810,991</b>
<b>Net financial assets/(liabilities)</b>		<b>70,441,930</b>	<b>(61,740,650)</b>	<b>5,158,130</b>	<b>(720,824)</b>	<b>13,138,667</b>
<b>2012</b>						
	Weighted Average Effective Interest Rate %	Floating Interest Rate	1 year or less	1 to 5 years	Non-interest bearing	Amount per statement of financial position
<b>FINANCIAL ASSETS</b>						
Cash and liquid assets	0.50	3,586,825	-	-	213,491	<b>3,800,316</b>
Due from other financial institutions	3.80	-	21,409,531	-	-	<b>21,409,531</b>
Loans and advances	6.72	49,062,795	-	-	-	<b>49,062,795</b>
Other investments	-	-	-	-	141,969	<b>141,969</b>
<b>Total financial assets</b>		<b>52,649,620</b>	<b>21,409,531</b>	<b>-</b>	<b>355,460</b>	<b>74,414,611</b>
<b>FINANCIAL LIABILITIES</b>						
Deposits	3.57	24,873,119	35,442,500	-	-	<b>60,315,619</b>
Creditors and other payables	-	-	-	-	752,810	<b>752,810</b>
<b>Total financial liabilities</b>		<b>24,873,119</b>	<b>35,442,500</b>	<b>-</b>	<b>752,810</b>	<b>61,068,429</b>
<b>Net financial assets/(liabilities)</b>		<b>27,776,501</b>	<b>(14,032,969)</b>	<b>-</b>	<b>(397,350)</b>	<b>13,346,182</b>

The major classes of financial assets and liabilities that are subject to interest rate variation are loans and advances, cash with banks, investments and deposits.

The fundamental principles that the Company applies to mitigate interest rate risk are:

- Maintaining a net interest margin that is adequate for the Board's short and longer – term objectives with respect to profitability, growth and capital accumulation;
- Issuing of Board approved delegated limits, approval levels, policies and procedures, consistent with the prudential standards issued by APRA;
- Forecasting and scenario modelling of growth and interest rates;

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

- Monitoring current and future interest rate yields on its loans and savings portfolio and cash and investments and effect on profit and equity; and the interest rates on the major proportion of these assets and liabilities can be adjusted in the short-term to minimise any significant mismatch of interest margins;
- Monitoring market rates for loans and savings and amend the Company's interest rates to remain competitive;
- Regular meetings to measure and monitor the impact of movements in interest rates.

### *Interest rate sensitivity*

Taking into account past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, the Company believes the impact on profit or loss and the impact on equity in the following table are 'reasonably possible' over the next 12 months, if interest rates had changed by +/- 50 basis points (2012: +/- 100 basis points) from the year-end rates, with all other variables held constant.

Judgement of reasonably possible movements:	Post tax profit higher (lower)		Equity higher (lower)	
	2013	2012	2013	2012
50 basis points increase (2012:100bps)	175,551	214,333	175,551	214,333
50 basis points decrease (2012: 100bps)	( 175,551)	(214,333)	( 175,551)	(214,333)

### (iii) Price risk - Equity investments

The Company is not exposed to price risk on the value of shares. The available for sale investments are not traded on the market.

### **Credit risk**

Credit risk is the risk that the Company will incur a loss because its customers or counterparties failed to discharge their contractual obligations. New or potential exposures are subject to the company's credit risk management framework. The credit risk management framework includes delegated limits, approval levels, collateral requirements, servicing criteria, concentration limits as well as other principles designed to manage the level of credit risk exposure.

### *Maximum exposures to credit risk*

The maximum exposure to credit risk equals the drawn down portion in the Statement of Financial Position and the undrawn portion of all committed facilities of loans and receivable as listed in Note 24. The major classes of financial assets that expose the Company to credit risk are loans to customers (including undrawn and unused credit commitments), cash with banks and investments and amounts due from other financial institutions.

### *Collateral and other credit enhancements*

Loans and advances, except unsecured overdrafts, are backed by collateral. The amount and type of collateral required depends on the assessment of the credit risk of the customer. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For retail lending; mortgages over residential properties and consumer assets
- For commercial lending; charges over real estate properties

Management monitors the market value of collateral.

The terms and conditions of collateral are specific to individual loan and security types. It is the company's policy to dispose of repossessed collateral in an orderly fashion and the proceeds used to repay or reduce the outstanding claim. During the year ended 30 June 2013, the Company did not take possession of any property.

For cash at bank, amounts due from other financial institutions and investment securities, these are unsecured. The company has a policy which limits exposure to counterparties on a group and individual basis.

**28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

*Credit quality*

The credit quality of the company's loans and advances is summarised in the tables below:

	2013 \$	2012 \$
Exposure to credit risk – loans and advances		
Past due but not impaired		
Up to 30 days	488,675	1,701,694
90 days & less than 182 days	-	223,259
	<u>488,675</u>	<u>1,924,953</u>
Impaired - mortgage loans		
Up to 90 days	-	-
90 days & less than 182 days	-	-
	<u>-</u>	<u>-</u>
Impaired – personal loans		
30 days & less than 60 days	4,859	-
60 days & less than 90 days	-	-
90 days & less than 182 days	-	-
182 days & less than 273 days	-	-
	<u>4,859</u>	<u>-</u>
Overdrawn/over-limit		
Less than 14 days	7,360	5,493
14 days & less than 90 days	1,323	3,756
90 days & less than 182 days	2,061	2,399
182 days & over	1,847	30,214
	<u>12,591</u>	<u>41,862</u>
Total past due and impaired		
Collective provision	-	-
Specific provision	(3,922)	(33,516)
Total provision	<u>(3,922)</u>	<u>(33,516)</u>
Neither past due nor impaired	<u>82,778,906</u>	<u>47,129,496</u>
	<u>83,281,109</u>	<u>49,062,795</u>

*Impaired loans*

Loans for which the Company determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan.

*Past due but not impaired loans*

Loans where contractual interest or principal payments are past due, but the Company believes that impairment is not appropriate on the basis of the level of security / collateral available and / or the stage of collection of amounts owed to the Company.

*Loans with renegotiated terms*

Loans that have been restructured due to deterioration in the borrower's financial position and where the Company has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring. Currently, the Company has no renegotiated loans.

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### *Allowances for impairment*

The Company establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main component of this allowance is the collective loan loss allowance established for the Company in respect of loan losses that have been incurred but have not been identified, subject to individual assessment for impairment.

### *Write-off policy*

Bad debts are written off as determined by management and the Board of Directors when it is reasonable to expect that the recovery of the debt is unlikely. Bad debts are written off as expenses in the statement of comprehensive income or against the provision for impairment.

Where the Company holds collateral against loans and advances, it is in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

### *Concentrations of credit risk*

The company is exposed to credit concentration risk by lending predominately to customers in Western Australia, including the Goldfields and Perth metropolitan regions. The Company does not have any classes of loans which represent in aggregate 10% or more of the shareholders equity outside of this geographical area or to any other group. Through the expansion of lending activities outside of the Goldfields region during the period, the level of concentration to the Goldfields region has diminished.

The Company monitors concentration of credit risk by purpose. An analysis of concentrations of credit risk at the reporting date is shown below:

	2013 \$	2012 \$
Overdrafts	805,885	942,290
Residential loans	76,176,596	43,518,851
Commercial loans	4,441,657	2,644,687
Personal loans	1,860,893	1,990,483
Total loans gross	<u>83,285,031</u>	<u>49,096,311</u>

As at 30 June 2013 there are 2 loans (2012: 0) which individually have facilities which represent 10% or more of the regulatory capital base. The total of these facilities which represent loans plus undrawn credit facilities amount to \$3,149,220 (2012: \$0).

### **Liquidity risk**

Liquidity risk is the risk that the company will be unable to meet its payment obligations when they fall due under normal and stress circumstances.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds available to meet its liabilities under both normal and stressed conditions, without incurring unacceptable losses. Sources of liquidity risk include unforeseen withdrawals of demand deposits, increased demand for loans and drawdown on available credit limits, and inability to liquidate a marketable asset.

The Company maintains a portfolio of short term liquid assets to ensure that sufficient liquidity is maintained for daily operational requirements.

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has documented its strategy to manage liquidity risk in a liquidity policy and liquidity management plan which includes the following activities by Management:

- On a daily basis, an assessment is made of the daily cash position and the investment action to be undertaken.
- On a daily basis, a summary of the Company's liquidity position, including movements in major liquid assets and liabilities is reviewed.
- On a monthly basis, the liquidity position is reported to the Board, including an explanation of significant movements and corrective action taken, where applicable.
- Regularly reporting current and emerging liquidity management trends to the Board and highlighting risk areas and relevant market conditions/expectations.

The Company is required to maintain at least 9% of total adjusted liabilities as liquid assets capable of being converted to cash within 48 hours under the APRA Prudential standards. The Company's policy is to apply a minimum level of 12% of funds as liquid assets to maintain adequate funds for meeting customer withdrawal requests. The ratio is checked daily. In the present economic environment, in order to minimise the risk of the liquidity ratio falling below 12%, the Board has determined a target liquidity trading range of 15% - 20%. In the event that liquidity ratio falls below 13% or is considered to be at risk of falling below that level, specific remedial measures are required to be taken by the Board and management.

The liquidity policy and management plan are reviewed at least annually by the Audit and Risk Management Committee, with the policy then approved by the Board.

Deposits are the liability class that presents the major source of risk to the Company's liquidity management. Concentrations within this class of financial liability are measured in terms of exposures to individual depositors and groups of associated depositors. As at 30 June 2013 there were no deposits greater than 10% of total liabilities (2012:0).

The liquidity ratio is calculated based on the formula prescribed by APRA in APS 210 as summarised below:

	2013 \$	2012 \$
High quality liquid assets	20,026,576	25,209,847
Liability base	<u>110,017,224</u>	<u>66,249,754</u>
Liquidity ratio	<u>18.20%</u>	<u>38.05%</u>

### Operational risk

Operational risk is a risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks (such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour). Operational risks arise from all of the Company's operations and are faced by all business entities.

The Company's objective is to manage operational risk so as to balance the avoidance of financial loss and damage to the Company's reputation, against excessive cost and control procedures that restrict initiative and creativity.

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of the Company's overall standards for management of operational risk in the following areas:

- Compliance with regulatory and other legal requirements
- Third party supplier relationships
- Business continuity and contingency planning
- People and key person risk including training and professional development
- Outsourcing risk associated with materially outsourced services
- Competition risk
- Fraud risk
- Requirements for appropriate segregation of duties, including independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Ethical and business standards
- Risk mitigation, including insurance where this is effective

Compliance with the Company's standards is supported by a program of periodic reviews undertaken by the Audit and Risk Management Committee. The results of these reviews are discussed with the management to which they relate and are reported to the Audit and Risk Management Committee.

### Capital Management

The Company is licensed as an Authorised Deposit-taking Institution (ADI) under the Banking Act 1959 and is subject to prudential supervision by APRA.

The Company has documented its strategy to manage capital in its internal capital adequacy assessment process which includes the capital management plan.

The Standards include APS 110 Capital Adequacy which:

- Imposes on the Board a duty to ensure that the Company maintains an appropriate level and quality of capital commensurate with the level and extent of the risks to which the Company is exposed from its activities; and
- Obliges the Company to have in place an Internal Capital Adequacy Assessment Process (ICAAP).

Three Pillars – There are three pillars to the Basel III capital framework.

Pillar 1 – involves specific capital charges for credit risk, operational risk, and the risk of financial market trading activities.

Pillar 2 – involves the Company making an assessment of any additional capital necessary to cover other risks not included in Pillar 1.

Pillar 3 – involves increased reporting by the Company to APRA.

The Board has determined that, for the Company, the prudent level of capital is the sum of the following:

- the specific capital charge for Pillar 1 risks
- the additional capital required to cover Pillar 2 risks, where applicable
- a buffer to cover other capital factors, where applicable

Various limits are applied to elements of the capital base. Deductions from capital include deferred tax assets, intangible assets and equity investments in other ADI's.

The Company's policy is to apply a minimum target of 20% capital (2012:20%).

**28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

In accordance with the Company's capital management objectives, the Company's regulatory minimum capital requirements were exceeded at all times during the year.

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Tier 1 Capital	13,654,438	13,650,973
Tier 2 Capital	216,130	168,616
Total Regulatory capital	<u>13,870,567</u>	<u>13,819,589</u>
 Risk weighted assets	 <u>49,359,583</u>	 <u>31,482,223</u>
Capital ratio	<u>28.1%</u>	<u>43.9%</u>

Disclosures required under Prudential Standard APS 330 Public Disclosure can be located on our website at: [http://www.goldfieldsmoney.com.au/about\\_us/regulatory\\_disclosures](http://www.goldfieldsmoney.com.au/about_us/regulatory_disclosures).

**29. RELATED PARTY DISCLOSURES**

Goldfields Money Limited is wholly owned by its equity holders. The Company does not have any subsidiaries, associates or joint ventures.

Information regarding individual Directors and Executive compensation and some equity instruments disclosures as required by the Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' report. Disclosure of the compensation and other transactions with key management personnel (KMP) is required pursuant to the requirements of Australian Accounting Standard AASB 124 Related Party Disclosures. The KMP of Company comprise the non Executive Directors, Managing Director and Executives.

- (a) The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Directors

Allan Edward Pandal  
 Leigh Stanley Junk  
 William Thomas McKenzie  
 Robert Bransby

Executives

David Holden  
 Michael Verkuylen

- (b) Remuneration of Key Management Personnel (KMP):

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

KMP has been taken to comprise the Directors and the members of the executive management responsible for the day-to-day financial and operational management of the Company. The aggregate compensation of KMP during the year comprising amounts paid or payable or provided for was as follows:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Short term employee benefits	428,000	190,792
Post-employment benefits	38,520	16,015
Other long-term benefits	-	3,171
Termination benefits	-	-
	<u>466,520</u>	<u>209,978</u>

## 29. RELATED PARTY DISCLOSURES

In the above table, remuneration shown as short term benefits means (where applicable) wages, salaries and other contributions, paid annual leave and paid sick leave, and bonuses, value of fringe benefits received, but excludes out of pocket expense reimbursements.

		<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
(c)	Loans to Key Management Personnel (KMP)		
(i)	The aggregate value of loans to KMP and their related parties as at the reporting date amounted to:	<u>1,364,867</u>	<u>-</u>
(ii)	The total value of credit facilities to KMP and their related parties, as at the reporting date amounted to:	1,520,000	-
	Less amounts drawn down and included in (i)	<u>(1,364,867)</u>	<u>-</u>
	Net balance available	<u>155,133</u>	<u>-</u>
(iii)	During the year the aggregate value of loans disbursed to KMP and their related parties amounted to:	<u>1,392,636</u>	<u>-</u>
(iv)	During the year the aggregate value of repayments received amounted to:	<u>80,002</u>	<u>24,347</u>
(v)	Interest and other revenue earned on loans and credit facilities to KMP and their related parties	<u>51,922</u>	<u>42,629</u>

The Company's policy for lending to Directors and management is that all loans are approved and deposits accepted on the same terms and conditions that applied to the general public for each class of loan or deposit.

There are no loans that are impaired in relation to the loan balances with Directors or other KMPs.

There are no benefits or concessional terms and conditions applicable to the close family members of the KMP. There are no loans which are impaired in relation to the loan balances with close family relatives of Directors and other KMP.

- (d) Other transactions between related parties including deposits from Key Management Personnel (KMP) are:

Total value term and savings deposits from KMP at reporting date	<u>126,607</u>	<u>511,950</u>
Total interest paid on deposits to KMP	<u>54,458</u>	<u>14,993</u>
Provision of motor vehicle	<u>-</u>	<u>13,214</u>

The Company's policy for receiving deposits from KMP is that all transactions are approved and deposits accepted on the same terms and conditions that applied to the general public for each type of deposit.

- (e) Transactions with other related parties

Other transactions between related parties include deposits from Director related entities or close family members of Directors, and other KMP. The Company's policy for receiving deposits from related parties is that all transactions are approved and deposits accepted on the same terms and conditions that applied to customers for each type of deposit. There are no benefits paid or payable to the close family members of the KMP.

**29. RELATED PARTY DISCLOSURES (continued)**

(f) Equity and option holdings

The numbers of shares in the company held during the financial year by each director of the Company and other key management personnel, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

**Shareholdings**

<b>2013</b>	<b>Balance at the start of the year (Member share in GCU)</b>	<b>Received on exercise of options during the year</b>	<b>Other movement</b>	<b>Balance at the end of the year</b>
<b>Director</b>				
Allan Pental	39,606	-	-	39,606
Leigh Junk	34,606	-	-	34,606
William McKenzie	55,303	-	-	55,303
Robert Bransby	20,000	-	-	20,000
<b>Executives</b>				
David Holden	200,000	-	18,747	218,747
Michael Verkuylen	-	-	-	-

<b>2012</b>	<b>Balance at the start of the year (Member share in GCU)</b>	<b>Subdivision of GCU member share into 2,303 ordinary shares on demutualisation</b>	<b>Received on exercise of options during the year</b>	<b>Other movement</b>	<b>Balance at the end of the year</b>
<b>Director</b>					
Allan Pental	2	4,606	-	35,000	39,606
Leigh Junk	2	4,606	-	30,000	34,606
William McKenzie	1	2,303	-	53,000	55,303
Robert Bransby	-	-	-	20,000	20,000
Ashton George (a)	1	2,303	-	(2,303)	-
Gregory Coyle (a)	1	2,303	-	(2,303)	-
<b>Executives</b>					
David Holden	-	-	-	200,000	200,000
Michael Verkuylen	-	-	-	-	-
Farley Fewkes (a)	1	2,303	-	(2,303)	-

(a) Ceased as KMP's on 11 May 2012

**Option holdings of key management personnel**

<b>2013</b>	<b>Balance at start of year</b>	<b>Granted as remuneration</b>	<b>Options exercised</b>	<b>Net change other</b>	<b>Balance at end of the year</b>	<b>Vested (exercisable)</b>	<b>Non-vested (Non- exercisable)</b>
<b>Director</b>							
Allan Pental	17,500	-	-	-	17,500	17,500	-
Leigh Junk	15,000	-	-	-	15,000	15,000	-
William McKenzie	25,000	-	-	-	25,000	25,000	-
Robert Bransby	10,000	-	-	-	10,000	10,000	-
<b>Executives</b>							
David Holden	100,000	-	-	-	100,000	100,000	-
Michael Verkuylen	-	-	-	-	-	-	-

**29. RELATED PARTY DISCLOSURES (continued)**

<b>2012</b>	<b>Balance at start of year</b>	<b>Granted as remuneration</b>	<b>Options exercised</b>	<b>Net change other</b>	<b>Balance at end of the year</b>	<b>Vested (exercisable)</b>	<b>Non-vested (Non-exercisable)</b>
<b>Director</b>							
Allan Pandal	-	-	-	17,500	17,500	17,500	-
Leigh Junk	-	-	-	15,000	15,000	15,000	-
William McKenzie				25,000	25,000	25,000	-
Robert Bransby	-	-	-	10,000	10,000	10,000	-
Ashton George (a)	-	-	-	-	-	-	-
Gregory Coyle (a)	-	-	-	-	-	-	-
<b>Executives</b>							
David Holden	-	-	-	100,000	100,000	100,000	
Michael Verkuylen	-	-	-	-	-	-	-
Farley Fewkes (a)	-	-	-	-	-	-	-

(a) Ceased as KMP's on 11 May 2012

There were no options on issued in 2013.

**30. EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company adjusted for the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Net profit attributable to ordinary share holders	196,709	468,451
Weighted average number of ordinary shares for basic earnings per share	15,666,829	1,678,589*
Effect of dilution:		
Share options	-	-
Weighted average number of ordinary shares adjusted for dilution	15,666,829	1,678,589

\*Weighted average numbers of ordinary shares has been calculated by determining number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period, including those issued under the offer on 22 May 2012, multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

The options (4,500,000) (2012: 4,500,000) are considered to be potential ordinary shares and have not been included in the determination of diluted earnings per share as they are anti-dilutive for the periods presented. Details relating to the options are set out in Note 17.

**31. DIVIDENDS PAID OR PROPOSED AND FRANKING ACCOUNT**

No dividend was paid or declared by the Company in the period and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend, for the financial period ended 30 June 2013 (2012: nil).

Franking credit balance:

The amount of franking credits available for the subsequent financial year are:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Franking account balance as at the end of the financial year at 30% (2012: 30%)	2,622,926	2,368,707
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	87,456	241,138
Franking credits that arise from the receipt of franked dividends	-	13,081
Franking credits available for subsequent reporting periods based on tax rate of 30% (2012: 30%)	<u>2,710,382</u>	<u>2,622,926</u>

## **DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of Goldfields Money Limited, I state that:

1. In the opinion of the Directors:
  - a. The financial statements and notes of Goldfields Money Limited for the financial year ended 30 June 2013 are in accordance with the Corporations Act 2001, including:
    - i. Giving a true and fair view of its financial position as at 30 June 2013 and performance for the financial year ended on that date;
    - ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
  - b. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.
  - c. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

On behalf of the board



Allan Pandal  
Director

23 August 2013

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
GOLDFIELDS MONEY LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Goldfields Money Limited ("the company"), which comprises the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Independence*

In conducting our audit, 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 Goldfields Money Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Opinion*

In our opinion:

- (a) the financial report of Goldfields Money Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

### **Report on the Remuneration Report**

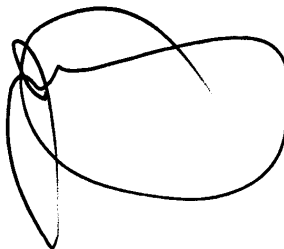
We have audited the Remuneration Report contained in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### *Opinion*

In our opinion the Remuneration Report of Goldfields Money Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS



Perth, WA  
Dated: 23 August 2013

J A KOMNINOS  
Partner

## ADDITIONAL ASX INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 19 August 2013.

(a) **Distribution of equity securities**

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 - 1000	18	8,882	0.057%
1,001 - 5000	1,990	4,745,421	30.290%
5,001 - 10000	56	429,650	2.742%
10,001 - 100000	76	2,555,947	16.314%
100,001 - 15,666,829	14	7,926,929	50.597%
<b>TOTAL</b>	<b>2154</b>	<b>15,666,829</b>	<b>100%</b>

(b) **Twenty largest holders of quoted equity securities**

RANK	SHAREHOLDER	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1	TRIO C PTY LTD	2,350,024	15.000
2	JH NOMINEES AUSTRALIA PTY LTD	1,270,010	8.106
3	ROCKET SCIENCE PTY LTD	1,080,000	6.894
4	DREAMPOINT INVESTMENTS PTY LTD	580,000	3.702
5	JASPER HILL RESOURCES PTY LTD	368,715	2.353
6	WRITE FAMILY INVESTMENTS PTY LTD	365,000	2.330
7	B F A PTY LTD	361,009	2.304
8	GOLDFIELDS HOTELS PTY LTD	359,606	2.295
9	KEMAST INVESTMENTS PTY LTD	350,000	2.234
10	WULURA INVESTMENTS PTY LTD	350,000	2.234
11	MR DAVID JOHN HOLDEN & DR EUN JUNG HOLDEN	218,747	1.396
12	VANELZ PTY LTD	171,515	1.095
13	BRETT DONALD RICHARDS&LINDA MARY RICHARDS	102,303	0.653
14	FUTURE SUPER PTY LTD	100,000	0.638
15	MR MICHAEL FRANK MANFORD	100,000	0.638
16	FLUE HOLDINGS PTY LTD	100,000	0.638
17	MR ROBERT JOHN TURNER	100,000	0.638
18	RJ TURNER PROPERTIES PTY LTD	100,000	0.638
19	AURORA PROSPECTS PTY LTD	100,000	0.638
20	MR RAYMOND MARKS	100,000	0.638
	<b>TOTAL</b>	<b>8,626,929</b>	<b>55.062</b>

(c) **Twenty largest holders of unlisted options**

RANK	SHAREHOLDER	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1	JASPER HILL RESOURCES PTY LTD	175,000	3.89
2	MR MICHAEL FRANK MANFORD	175,000	3.89
3	TWO TOPS PTY LTD	175,000	3.89
4	KINGSLANE PTY LTD	175,000	3.89
5	KEMAST INVESTMENTS PTY LTD	175,000	3.89
6	WULURA INVESTMENTS PTY LTD	175,000	3.89
7	AVIEMORE CAPITAL PTY LTD	150,000	3.33
8	FLUE HOLDINGS PTY LTD	125,000	2.78
9	CRANPORT PTY LTD	100,000	2.22
10	ROCKET SCIENCE PTY LTD	100,000	2.22
11	MARFORD GROUP PTY LTD	100,000	2.22
12	MR DAVID JOHN HOLDEN + DR EUN JUNG HOLDEN	100,000	2.22
13	CITICORP NOMINEES PTY LIMITED	87,500	1.94
14	FUTURE SUPER PTY LTD	75,000	1.67
15	MR MARK JOHN BAHEN + MRS MARGARET PATRICIA BAHEN	75,000	1.67
16	MR DANIEL PAUL WISE	62,500	1.39
17	OCEAN VIEW WA PTY LTD	62,500	1.39
18	WARREN KALAJZICH NOMINEES PTY LTD	50,000	1.11
19	TECCA PTY LTD	50,000	1.11
20	FINANCE ASSOCIATES PTY LTD	50,000	1.11
<b>TOTAL</b>		<b>2,237,500</b>	<b>49.720</b>

(d) **Substantial shareholder(s)**

The names of substantial shareholders who have notified the company in accordance with section 671B of the Corporations Act 2001 are:

SUBSTANTIAL SHAREHOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
TRIO C PTY LTD	2,350,024	15.000
JH NOMINEES AUSTRALIA PTY LTD*	1,270,010	8.106
ROCKET SCIENCE PTY LTD*	1,080,000	6.894
<b>TOTAL</b>	<b>4,700,034</b>	<b>30.000</b>