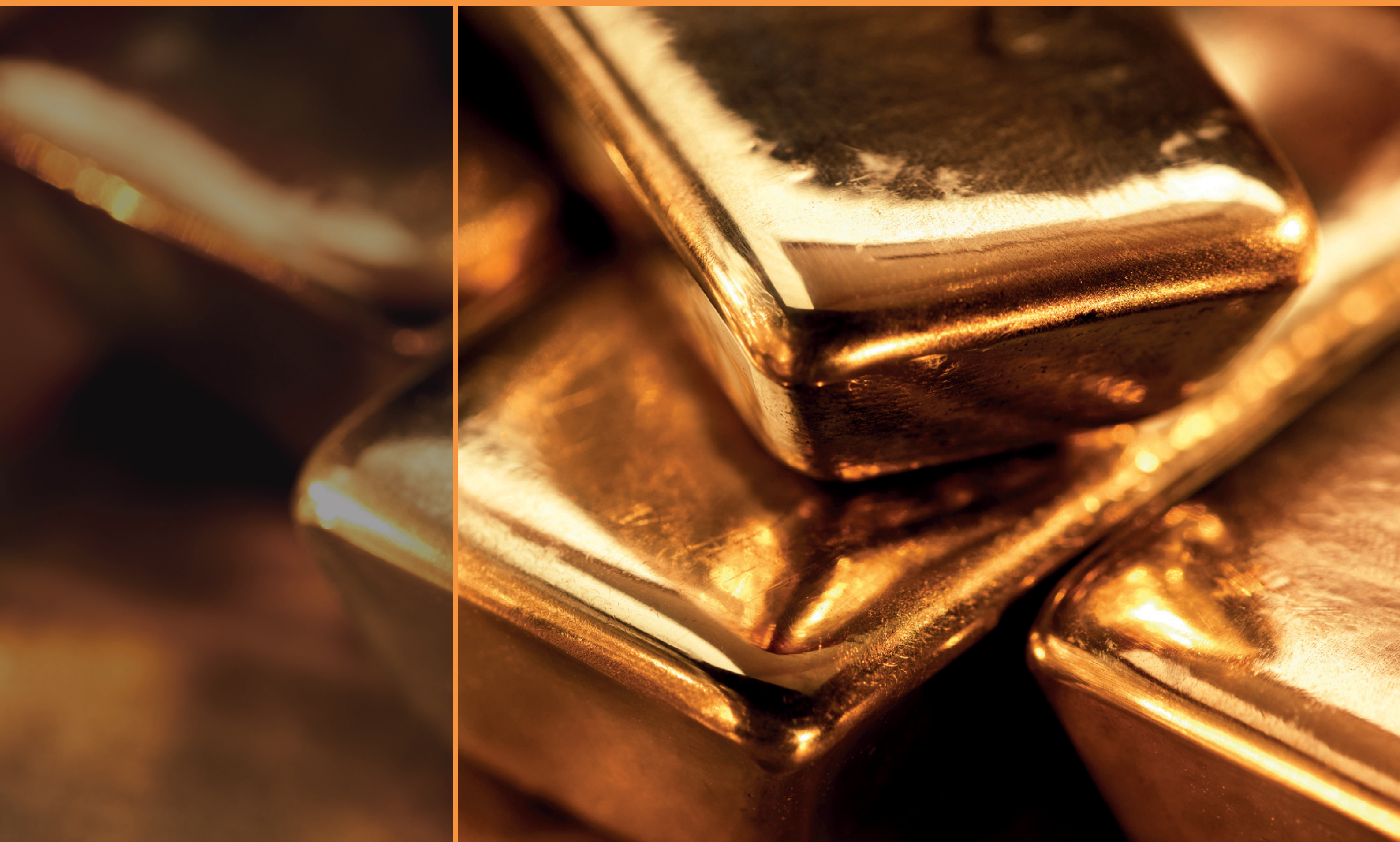
Annual Report **2012**

goldfields MONEY



Banking on Better Service

Corporate Information

ACN: 087 651 849

Directors

Mr. Allan Pendal
(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 (Joint)

Mr. Farley Fewkes
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

About us:

Goldfields Money Limited is an Authorised Deposit-taking Institution regulated by APRA. Formerly known as Goldfields Credit Union, the company was established in 1982 in Kalgoorlie and after 30 years servicing the Goldfields region through its branches in Kalgoorlie and Esperance, the Company demutualised and listed on the Australian Securities Exchange in May 2012. Goldfields Money is currently the only Western Australian headquartered and ASX-listed Authorised Deposit-taking Institution.

Our vision:

Create a significant West Australian Financial Institution.

What we offer:

GMY offer a variety of loan products including personal, home and commercial loans with various features. We also offer a variety savings and investments, including savings accounts and term deposits.

Refer to our website for a full list of our products and other useful tools such as calculators and rates.

Australian Government Guarantee:

GMY is an Approved Deposit-taking Institution (ADI) just like the banks. We are prudentially regulated by the Australian Prudential Regulatory Authority (APRA). All ADI's are subject to the depositors protection provisions of the Banking Act of 1959. The Australian Government has guaranteed deposits of up to $250,000 per depositor in Authorised Deposit-taking Institutions (ADIs) which means that this money is guaranteed if anything happens to the ADI. Refer to our website for further details.

Capital Structure:

As at 30 June 2012, the Company's share capital comprised:

- 15,666,829 fully paid ordinary shares
- 4,500,000 unlisted options over ordinary shares with $1.50 exercise price and an 11 May 2019 expiry date

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Chairman's Report

"The vision is to create a significant Western Australian financial institution."

It gives me great pleasure to report on one of the most important years in the history of the Company.

Over the past two years significant work has been undertaken by your directors and management, in consultation with the members of Goldfields Credit Union Limited (GCU), to transform the Company from a member based organisation into a listed entity.

Prior to listing, GCU was a stable, well managed Authorised Deposit-taking Institution (or ADI) based in Kalgoorlie, in the heart of the Goldfields Region of Western Australia. In March this year, the members of GCU approved to demutualise and list on the Australian Securities Exchange (ASX). This was the start of the next phase of a strategic transformation for the Company.

As part of the demutualisation, the Company adopted a new constitution and was renamed to Goldfields Money Limited, and the year culminated with the listing of the Company on the ASX on 22 May 2012.

Upon listing, Goldfields Money Limited (Goldfields Money) commenced implementing its strategic plan, and in doing so, transforming the Company into a thriving and sustainable business poised for growth to deliver value to Shareholders in the long term.

I am pleased to report the listing was a success with great interest shown from investors, particularly those with a common interest to see Goldfields Money be a significant Western Australian financial institution. I am also pleased to report many of the former members of GCU have continued as Shareholders and I thank those GCU members for their continued loyalty and support.

The GCU Community Trust was established on 13 February 2012, for the public benefit and with a stated purpose of supporting projects and activities that are intended to provide benefits of social value to the community of the Goldfields Esperance region of Western Australia. The GCU Community Trust received 580,000 ordinary shares in Goldfields Money for nil consideration, which will provide the GCU Community Trust with a future source of income from dividends.

We appointed Mr David Holden as Managing Director and Mr Michael Verkuylen as Chief Financial Officer and Company Secretary. These two appointments were important steps of the demutualisation and listing process and will ensure the Company has the resources and expertise to achieve its strategic objectives and maintain a sound and prudent business.

Our strategic objectives are clear and we have made progress since listing in implementing these strategies, namely:

Geographic diversity – a Perth office is being established and a new Business Development Manager appointed to work with the Managing Director and to drive growth in the Perth market;

Product offerings – we recently launched our fixed term home loan product and offering a tiered rate structure to our standard variable rate home loans. I can also confirm several other new products and enhancements to existing products, including our online offerings are expected to be launched in the next year;

Diversification of customer base – through establishing a Perth office and reconnecting with customers in the Goldfields region we are expanding and building relationships from which we are winning new business;

Be a low cost provider – cost optimisation is embedded in our business practices, we acknowledge implementing the strategic plan and growth initiatives will require upfront cost and investment but our long term objective remains;

Widen distribution channels – in June 2012 as the first step of this strategy we launched our Deposit offering through Patersons Securities Limited which has been positive and we will focus on developing other strategic business relationships; and

Chairman's Report

Upscale through mergers and acquisitions – this remains a relevant objective and we continue to consider opportunities as they arise.

Our end of year results, released in August, confirm that we have made a solid start to growing the business after listing on the ASX. Our net profit for the year was slightly ahead of the amount forecast in the prospectus. Other key measures including capital adequacy, loan growth, deposits growth and liquidity have also improved considerably compared to the prior period. We are already benefiting from having a larger capital base from which we can support loan growth, increased operational capability and brand awareness.

The Company has achieved many significant milestones discussed above and our goals for the coming year are equally ambitious. We are well poised in our plans to profitably grow the business, particularly through expanding our product offering, customer base and growing the loan book. We intend on achieving this growth without a material change to the risk profile of the loan book.

Despite the continued competitiveness of the Australian banking market and uncertainties of global financial markets, the Directors consider that FY2013, will see many of the benefits of demutualisation and listing starting to eventuate.

Last but not least, I would also like to take this opportunity to thank the loyal staff of Goldfields Money who have worked tirelessly throughout the demutualisation and listing process and recognise their outstanding efforts in contributing to the success of Goldfields Money. The Company has undergone significant change and transformation and it is their efforts which have made this possible.

On behalf of the Board and the Management team, I would like to thank Shareholders for their support of Goldfields Money Limited and I would also like to express my personal gratitude to my fellow Directors.

Yours sincerely

A E PENDAL - Chairman

Managing Director's Report

The 2012 financial year has been a significant year for Goldfields Money Limited, particularly through the process of demutualisation and listing on the ASX in May 2012.

As a result of the demutualisation and listing process, Goldfields Money has changed significantly from a member based organisation to an ASX listed entity. The initial public offering raised $9 million in proceeds from the issue of share capital (before equity raising costs). The ability to raise capital from this issue of share capital means we now have the necessary capital base from which we can launch our strategic objectives and significantly grow the company over the coming years. Our Prudential Capital Adequacy Ratio at 30 June 2012 was 42.9%.

Net Profit after Tax for the period was $468,451 which is a 35% increase on the prior period. This result is ahead of the forecast for the year disclosed in the Demutualisation and Prospectus Booklet of $409,947. Excluding the impact of the demutualisation expenses, the net profit after tax was $518,259 compared to $570,136 in the prior year. This reduction in profit reflected the commencement of the investment phase of implementing the growth strategy.

This is a good result for a period in which the Company has undergone, and will continue to undergo, significant change and transformation. Profitability has been protected despite costs associated with the demutualisation, as a result of strong cost control, credit risk management and growth of the lending portfolio.

The impact of four successive cuts in official cash rates as well as increased competition, particularly for term deposits, resulted in a reduction in net interest margin of 52 basis points during the year which impacted net interest income, however this was offset by the underlying lending growth in the loan book itself.

Net interest income increased due to the above system lending growth in the loan book. Total loans for the year increased to $49,062,795, representing an increase of 10.6% which is a strong result given many of the benefits of demutualisation and listing are yet to be realised. It also demonstrates our ability to grow in an economic environment which has reported mixed economic data on housing, retail spending, inflation and credit growth.

In the last month of the 2012 financial year we also implemented a new funding distribution arrangement with Paterson Securities Limited which has provided a strong source of funds and contributed to the increase in deposits for the year to $60,315,619, representing a 17.5% increase on the previous year. This additional source of funding is another important step for the Company as it executes its strategic plans with the objective of significantly growing the loan book. In 2013 we plan to diversify our funding mix through new strategic business relationships, new channels and new deposit products. These new sources of funds will also help the Company manage the cost of funding and in turn its net interest margin.

Our employee levels have remained steady throughout the year, except for two new appointments to the executive level in Michael Verkuylen as Chief Financial Officer and Joint Company Secretary and myself as Managing Director. Farley Fewkes continues as General Manager and Joint Company Secretary, based in Kalgoorlie.

Our branches in Kalgoorlie and Esperance continue to provide the services previously provided to members prior to demutualisation. However I am pleased to report we now offer several new products such as tiered pricing on our variable home loans and fixed rate home loans.

While our past lending has been predominantly in the Goldfields region of Western Australia, and we remain committed to expanding our presence in this region, we will be focusing on expansion into the Perth metropolitan housing market to help us achieve growth in lending for the current year. As part of this plan we are also in the process of establishing a Perth based office.

Managing Director's Report

Notwithstanding all of the current challenges of operating in the banking industry, I consider that the 2013 financial year will see benefits from the implementation of the strategic plan start to emerge. Goldfields Money will continue to benefit from the Australian Government's $250,000 deposit guarantee as well as other measures in the Government's banking reform package.

Goldfields Money will continue to implement its strategic plan for the next 24 months as recently communicated to investors. Goldfields Money plans to continue to provide low cost financial services, apply prudent and profitable risk management, expand its distribution network in Perth and the Goldfields and significantly grow the lending book thereby generating scale from which future profits for the Company will be realised.

I would like to take this opportunity to express my appreciation to our staff for their hard work and commitment to the Company, particularly through the demutualisation and listing process.

To our Directors, I extend my appreciation for your guidance and leadership through the year which has seen great change in the Company.

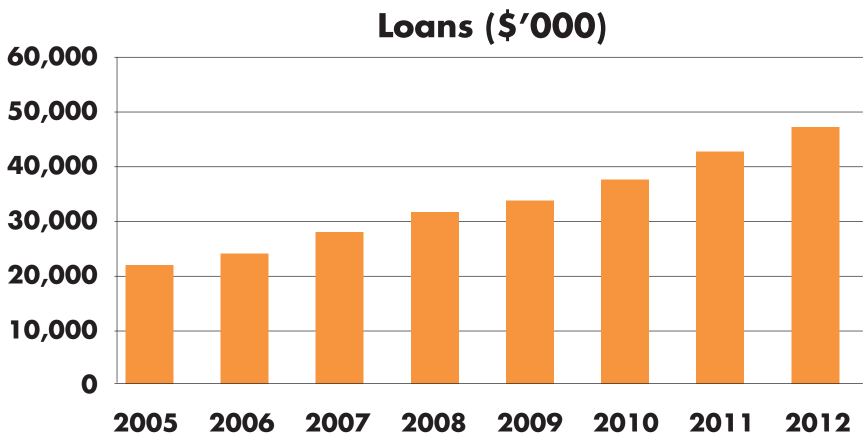
Finally I extend our appreciation to our many customers, shareholders, associated organisations and business partners for your support.

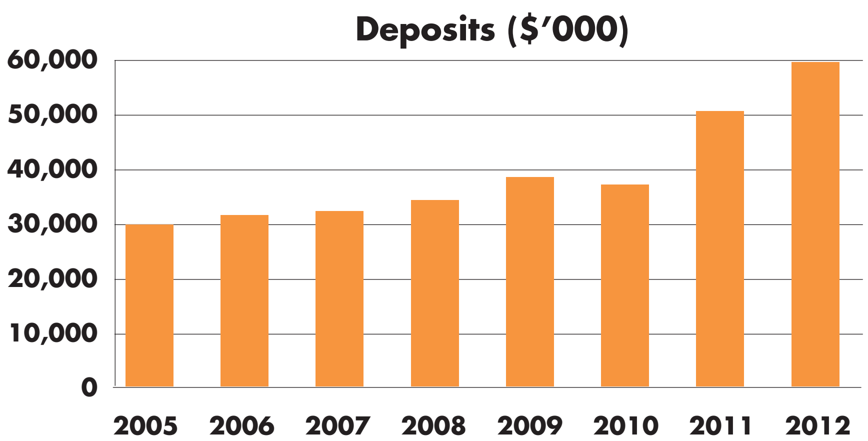
Yours sincerely

DAVID HOLDEN - Managing Director

Performance Highlights

- Statutory Net Profit after tax of $468,451 up 35% on the prior year
- Net Profit exceeds Prospectus forecast
- Normalised Net Profit after tax excluding the impact of the demutualisation expenses of $518,259, down 9.1% on the prior year.
- Lending portfolio growth of 10.6% on the prior year compared to 4.4% national credit growth
- Deposit portfolio growth of 17.5%
- Continuing strong credit quality – loans greater than 90 days due of 0.52% of total loan portfolio
- Capital adequacy of 42.9% up from 20.7% in the prior period largely due to the $9 million capital raising
- Normalised cost to income ratio up by 2.8% on the prior year to 68.4%
- Average net interest margin of 3.33% compared to 3.85% for the prior year.





Director's Report

Your Directors present their report of Goldfields Money Limited (formerly Goldfields Credit Union Limited) (the "Company") for the year ended 30 June 2012.

Operating and Financial Review

In 2011 the then Goldfields Credit Union Limited (GCU) Board came to the view that it would be in the best interests of the Members for the Company to be demutualised and the resulting new entity listed on the Australian Securities Exchange (ASX) to enable, amongst other things, additional capital to be raised for the purpose of growing the business as an Authorised Deposit taking Institution. The demutualisation involved extensive interaction with members, government regulators, consultants, advisers and potential investors. Considerable cost was incurred in this process which is discussed below.

Following overwhelming approval of by the members of Goldfields Credit Union for the demutualisation and listing of the Company, the renamed Goldfields Money Limited was listed on the Australian Securities Exchange (ASX) on 22 May 2012 under the symbol GMY.

The demutualisation proposal involved:

- adoption of a New Constitution
- each Member Share converting into one Ordinary Share and the subdivision of each Ordinary Share into 2,303 Ordinary Shares valued at $1.00 per share upon listing
- Listing on the ASX
- Raising $9,000,000 in issued capital proceeds
- change of GCU's name to "Goldfields Money Limited"
- appointment and resignation of Directors as described below.

The table below summarises the changes in equity resulting from the demutualisation and listing on the ASX.

Number of Ordinary Shares held by Members – listed at $1.00 for nil consideration	6,086,829
Number of Ordinary Shares subscribed on listing on the ASX – for consideration of $1.00	9,000,000
Number of Ordinary Shares issued to the GCU Community Trust – valued at $1.00 per share for nil consideration	580,000
Total number of Ordinary Shares at completion of demutualisation and listing on the ASX	15,666,829
Total number of Options issued at completion of demutualisation and listing on the ASX	4,500,000

The offer was fully subscribed and significantly increases Goldfields Money Limited's capital position. Equity as reported in the statement of financial position increased from $5,751,379 as at 30 June 2011 to $14,577,082 at 30 June 2012. This increased capital position will enable the company to execute its growth strategy through the issuance of new loans and advances.

Loans and advances increased during the year from $44,372,923 as at 30 June 2011 to $49,062,795, representing an increase of 10.56%.

Deposits increased during the year from $51,322,147 as at 30 June 2011 to $60,315,619, representing an increase of 17.52%.

This growth was achieved without the benefits which will arise from the demutualisation and ASX listing process.

The profit of the Company for the financial year after provision for income tax was $468,451 (2011: $348,167).

The results of the Company's operations during the financial year were impacted by the costs relating to the demutualisation and equity raising. The impact of these costs on the Company's profit before tax is provided in the reconciliation below:

	2012 $	2011 $
Profit before tax for the year as per income statement	**572,129**	431,565
Demutualisation expenses *	**235,162**	379,902
Financial result for year before tax without demutualisation costs	**807,291**	811,467
Equity raising costs incurred before tax effect	**847,255**	363,359

*As per Note 2 to the financial statements

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 Pendal (Chairman and Non-executive Director)

Mr Pendal 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 Pendal 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. Pendal is a member of the Credit and Chairman of the Remuneration Committees.

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 Brilliant Mining Corp. based in Vancouver Canada, listed on the TSX-V and 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) – appointed 11 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 Councillor of the Financial Services Institute of Australia, a director of Australian Institute of Management, Western Australia, Vice 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 and Remuneration Committees and Chairman of the Audit & Risk Management Committee.

David Holden (Managing Director) – appointed 11 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 a director of UnitingCare West.

Mr Ashton George and Mr Gregory Coyle resigned as Directors on 11 May 2012

Interests in the shares and options of the company

As at the date of this report, the interests of the directors in the shares and options of Goldfields Money Limited were:

	Number of ordinary shares	Number of options over ordinary shares
A Pendal	39,606	17,500
W McKenzie	55,303	25,000
L Junk	34,606	15,000
R Bransby	20,000	10,000
D Holden	200,000	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.

Company Secretaries

Farley Fewkes

Mr Fewkes has been the General Manager and Company Secretary of Goldfields Money Limited since January 2005. His background in financial services includes 21 years with Commonwealth Bank from 1975 to 1996. Prior to joining Goldfields Money, Mr Fewkes was employed as business manager of Alljay Contracting Pty Ltd, a Kalgoorlie-based earthmoving firm from January 2001 to October 2004.

Michael Verkuylen

Mr Verkuylen was appointed as joint company secretary on 25 June 2012 and is also the Chief Financial Officer. He is a Chartered Accountant with over 8 years experience in the banking and financial services industry. He previously held a position with a major international accounting firm.

Meetings of Directors

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

	Board		Audit and Risk Management		Credit		Remuneration	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
A Pendal	12	12	-	-	25	23	1	1
A George	10	9	2	2	-	-	-	-
G Coyle	10	9	2	2	-	-	-	-
L Junk	12	11	-	-	25	25	1	1
W McKenzie	12	11	-	-	25	19	-	-
R Bransby	2	2	-	-	-	-	1	1
D Holden	2	2	-	-	-	-	-	-

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 2012.

Changes in the State of Affairs

Except for the matters discussed above under Operating and Financial Review, 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 will continue to implement its strategy for growth as disclosed in the Prospectus dated 14 February 2012. Directors consider that the disclosure of additional information in respect of likely developments in the operations or the expected results of those operations may unreasonably prejudice the Company. Accordingly this information has not been disclosed in this report.

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.

Environmental Regulations

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

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.

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.

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 annually and are subject to audit.

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	12,910
Non assurance related	20,000
	32,910

Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2012 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 2012 (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 Pendal	Chairman (non-executive)
Ashton George	Director (non-executive) – resigned 11 May 2012
William McKenzie	Director (non-executive)
Leigh Junk	Director (non-executive)
Gregory Coyle	Director (non-executive) – resigned 11 May 2012
Robert Bransby	Director (non-executive) – appointed 11 May 2012

(ii) Executive directors

David Holden	Managing Director – appointed 11 May 2012

(iii) Other executives

Farley Fewkes*	Company Secretary and General Manager
Michael Verkuylen	Company Secretary and Chief Financial Officer – appointed 25 June 2012

*Mr Fewkes ceased being a KMP on 11 May 2012.

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 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.**

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 advice in relation to remuneration.

Remuneration Report Approval

The 2012 financial year will be the first remuneration report subject to shareholder approval at the AGM following the Company's listing on the ASX on 22 May 2012.

3. Executive remuneration arrangements

Goldfields Money was listed on the Australian Securities Exchange on 22 May 2012 and prior to admission on the ASX significant work was undertaken by the Company to further enhance the remuneration policy. Executive performance based incentives described below were not formally approved by the Board for the financial year ended 30 June 2012 due to the short time horizon between listing on the ASX and the end of the financial year. The performance based incentives have been detailed below to disclose the company's remuneration policy and will apply to future reporting periods. No performance based incentives were available for executives for the year ended 30 June 2012.

3A. Remuneration Principles and Strategy

Goldfields Money's executive remuneration strategy is designed to attract, motivate and retain high performing individuals and align the interests of executives and shareholders.

Business Objective
Profitably grow the business whilst maintaining its current service and relationship banking ethic.

Link between remuneration strategy and business objectives	
Align the interests of executives with shareholders • The remuneration framework incorporates "at-risk" components, including a performance based incentive • Performance is assessed against a suite of financial and non-financial measures relevant to the success of the company and generating returns for shareholders	Attract, motivate and retain high performing individuals • The remuneration offering is competitive for companies of a similar size and complexity

Remuneration component	Vehicle	Purpose	Link to performance
Fixed remuneration	• Represented by total employment cost (TEC). • Comprises base salary, superannuation contributions and other benefits.	To provide competitive fixed remuneration set with reference to role, market and experience.	Company and individual performance are considered during the annual remuneration review.
Short term performance based incentive (applicable to Managing Director only)	• Paid in cash	Rewards executives for their contribution to achievement Company outcomes, as well as individual key performance indicators (KPIs).	• Net profit before tax is the key financial metric. • Linked to other internal financial measures, strategic objectives, risk management, compliance and leadership.

3B. Approach to Setting Remuneration

During the year, the executive remuneration framework consisted of fixed remuneration only. Performance based incentives have also been described which apply to future reported periods.

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 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 the year ended 2012 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.

3C. Detail of incentive plans

Performance based incentive – Managing Director

For future reporting periods 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. No performance measures were set for the 2012 financial year.

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
• Profit before tax • Implementation of key growth initiatives	• Governance, risk management & compliance • Leadership • Branding • Implementation of strategic objectives

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, to be paid to the MD.

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 2012 (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)
2008	998,385	Not listed
2009	524,278	Not listed
2010	558,060	Not listed
2011	431,565	Not listed
2012	572,129	105.0

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 over the next financial year.

Remuneration of key management personnel

		Short-term benefits			Post-employment	Long-term benefits	
		Salary & fees $	Non-monetary benefits	Other	Super-annuation	Long service leave	Total
Executive Directors							
David Holden*	**2012**	**31,486**	**-**	**-**	**2,866**	**-**	**34,352**
	2011	-	-	-	-	-	-
Other executives							
Farley Fewkes#	**2012**	**100,006**	**13,214**	**-**	**9,001**	**3,171**	**125,392**
	2011	109,513	13,214	-	9,783	3,162	135,672
Michael Verkuylen^	**2012**	**2,885**	**-**	**-**	**260**	**-**	**3,145**
	2011	-	-	-	-	-	-
Total	**2012**	**134,377**	**13,214**	**-**	**12,127**	**3,171**	**162,889**
	2011	109,513	13,214	-	9,783	3,162	135,672

*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 side.

Under the terms of the present contract as disclosed in the Prospectus with ASIC on 14 February 2012:

- The MD receives fixed remuneration of $230,000 per annum (plus superannuation contributions of 9% of ordinary earnings)
- The MD's performance based incentive opportunity is up to 25% of his base salary

Mr Holden's agreement commenced on 11 May 2012. 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

6. Non-executive director remuneration arrangements

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.

Structure

The remuneration of NEDs consists of directors' fees. The table below summarises the NED fees for FY12:

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

NEDs receive superannuation contributions 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 2012 and 30 June 2011 is detailed in the table below.

		Short-term benefits			Post-employment	Long-term benefits	
		Salary & fees $	Non-monetary benefits	Other	Super-annuation	Long service leave	Total
Non-executive directors							
Allan Pendal	**2012**	**12,667**	**-**	**-**	**1,140**	**-**	**13,807**
	2011	8,000	-	-	5,080	-	13,080
Ashton George *	**2012**	**6,600**	**-**	**-**	**594**	**-**	**7,194**
	2011	7,200	-	-	648	-	7,848
Bill McKenzie	**2012**	**7,667**	**-**	**-**	**690**	**-**	**8,357**
	2011	7,200	-	-	648	-	7,848
Leigh Junk	**2012**	**8,000**	**-**	**-**	**720**	**-**	**8,720**
	2011	7,200	-	-	648	-	7,848
Gregory Coyle *	**2012**	**6,600**	**-**	**-**	**594**	**-**	**7,194**
	2011	7,200	-	-	648	-	7,848
Robert Bransby^	**2012**	**1,667**	**-**	**-**	**150**	**-**	**1,817**
	2011	-	-	-	-	-	-
Lisa Ellery#	**2012**	**-**	**-**	**-**	**-**	**-**	**-**
	2011	-	-	-	3,270	-	3,270
Total	**2012**	**43,201**	**-**	**-**	**3,888**	**-**	**47,089**
	2011	36,800	-	-	10,942	-	47,742

* resigned 11 May 2012 ^ Appointed 11 May 2012 # resigned 17 November 2010

End of Remuneration Report

Signed in accordance with a Resolution of Directors

A E PENDAL - Chairman

Dated this 17th day of August 2012

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** and may be accessed via the 'Shareholders' section.

Goldfields Money was listed on the Australian Securities Exchange on 22 May 2012 and this Corporate Governance Statement applies from the date of listing. Prior to admission on the ASX significant work was undertaken by the Company to fulfil the Board's current and future corporate governance obligations and responsibilities to all stakeholders. This includes the development and implementation of the Recommendations addressed below.

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

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 carry 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 that any 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.

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.

As Goldfields Money Limited, listed on the ASX on 22 May 2012, no formal performance evaluation was undertaken due to the limited time available between appointment of executives and 30 June 2012.

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 it 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 interest 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.

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**.

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**.

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 Diversity Policy, 3.3 Diversity Objectives and Progress Towards Achievement and 3.4 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
- 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 twice 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**.

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**.

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;
- 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**.

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 has 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**.

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 Goldfields Money Limited, 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.

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

(a) 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.

(b) 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.

7.2. Risk management and internal control systems and management attestation (Continued)

(c) Annual review

All policies (Board and business) are reviewed annually by the executive responsible for the each business area to ensure ongoing compliance with the APRA 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 Establish a Remuneration Committee, 8.2 Structure of Remuneration Committee and 8.3 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 to the Company
- 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.

RSM Bird Cameron Partners

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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 2012, 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
Chartered Accountants

Perth, WA
Dated: 17 August 2012

J A KOMNINOS
Partner

Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	2012 $	2011 $
Interest revenue	2	3,980,378	3,392,829
Interest expense	2	(1,980,042)	(1,503,804)
Net interest revenue	2	2,000,336	1,889,025
Non-interest revenue	2	513,528	547,435
Impairment losses on loans and advances	2	14,114	(25,259)
Other expenses	3	(1,955,849)	(1,979,636)
Profit before income tax		**572,129**	**431,565**
Income tax expense	4	(103,678)	(83,398)
Profit for the year from continuing operations		**468,451**	**348,167**
Other comprehensive income			
Increase in asset revaluation reserve		934	934
Total comprehensive income		**469,385**	**349,101**
Basic earnings per share	31	0.28	137.17
Diluted earnings per share	31	0.28	137.17

The accompanying notes form part of these financial statements

As at 30 June 2012

	Note	2012 $	2011 $
ASSETS			
Cash and cash equivalents	5	3,800,316	4,594,362
Due from other financial institutions	6	21,409,531	7,942,773
Loans and advances	7	49,062,795	44,372,923
Other assets	9	127,940	20,806
Current tax asset	13	52,091	-
Other financial assets	10	141,969	141,969
Property, plant and equipment	11	629,769	653,044
Intangible assets	12	169,587	193,066
Deferred tax assets	13	454,847	252,271
TOTAL ASSETS		75,848,845	58,171,214
LIABILITIES			
Deposits	14	60,315,619	51,322,147
Creditors and other payables	15	752,810	796,855
Current tax liabilities	13	-	84,522
Provisions	16	139,563	153,046
Deferred tax liabilities	13	63,771	63,265
TOTAL LIABILITIES		61,271,763	52,419,835
NET ASSETS		14,577,082	5,751,379
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS			
Members shares	17	-	10,700
Contributed equity			
Issued capital	17	12,955,824	-
Other contributed equity	17	1,830,600	-
Equity raising costs	18	(945,036)	(301,482)
Total contributed equity		13,841 ,388	(301,482)
Property, plant and equipment revaluation reserve	19	153,517	152,583
General reserve for credit losses	19	139,993	113,726
General reserves		-	5,775,852
Retained earnings		442,184	-
		14,577,082	5,751,379

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the year ended 30 June 2012

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 $
As at 30 June 2010	**9,660**	**-**	**-**	**-**	**151,649**	**-**	**93,113**	**5,448,298**	**5,702,720**
Profit for the year	-	-	-	-	-	-	-	348,167	348,167
Other comprehensive income	-	-	-	-	934		-	-	934
Total comprehensive income	-	-	-	-	934	-	-	-	349,101
Comprehensive income transferred to general reserve	-	-	-	-	-		-	-	-
Equity raising costs (Note 18)	-	-	(301,482)	-	-	-	-	-	(301,482)
Transfer from/to general reserve/ general reserve for credit losses	-	-	-		-	-	20,613	(20,613)	-
Net issue of members shares	1,040	-	-	-	-	-	-	-	1,040
As at 30 June 2011	**10,700**	**-**	**(301,482)**	**-**	**152,583**	**-**	**113,726**	**5,775,852**	**5,751,379**
Profit for the year	-	-	-	-	-	468,451	-	-	468,451
Other comprehensive income	-	-	-	-	934	-	-	-	934
Total comprehensive income	-	-	-	-	934	468,451	-	-	469,385
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		-
As at 30 June 2012	**-**	**12,955,824**	**(945,036)**	**1,830,600**	**153,517**	**442,184**	**139,993**	**-**	**14,577,082**

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2012

	Note	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		3,956,709	3,398,453
Fees and commissions received		452,055	492,870
Dividends received		30,521	24,251
Other income		30,951	30,311
Interest and other costs of finance costs paid		(1,887,987)	(1,478,620)
Payments to suppliers and employees		(2,002,045)	(1,525,758)
Income tax paid		(280,113)	(186,383)
Net cash provided by operating activities	26(c)	**300,091**	**755,124**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net increase in loans, advances and other receivables		(4,665,037)	(5,563,863)
Payments for property, plant and equipment		(9,498)	(7,724)
Payments for intangible assets		(9,444)	(18,669)
Net cash (used in) investing activities		**(4,683,979)**	**(5,590,256)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in deposits and other borrowings		8,861,641	12,039,323
Proceeds on issue of shares and options		9,000,000	-
Equity raising costs		(804,869)	(363,359)
Net (decrease)/ increase in member shares		(172)	1,040
Net cash provided by financing activities		**17,056,600**	**11,677,004**
Net increase in cash held		12,672,712	6,841,872
Cash and cash equivalents at beginning of the financial year		12,537,135	5,695,263
Cash and cash equivalents at the end of the financial year	26(a)	25,209,847	12,537,135

The accompanying notes form part of these financial statements

For the year ended 30 June 2012

1. 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 2012 were authorised for issue in accordance with a resolution of the directors on 17 August 2012.

On 11 May 2012, Goldfields Money Limited (formerly Goldfields Credit Union Limited) demutualised and subsequently listed on the Australian Securities Exchange on 22 May 2012.

2. 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.

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.

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.

Significant accounting policies (Continued)

(a) Property, Plant and Equipment (Continued)

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:

Class of fixed asset	**Depreciation rate**	**Method of Depreciation**
Buildings	2.5%	Prime Cost
Office plant and equipment	15-33%	Prime Cost
Motor vehicles	22.5%	Prime Cost
Computer equipment and programs	20-33%	Prime Cost

Significant accounting policies (Continued)

(a) Property, Plant and Equipment (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.

Significant accounting policies (Continued)

(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.

(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.

(e) 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.

(f) 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.

Significant accounting policies (Continued)

(g) 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.

The Company will maintain a reserve for credit losses of at least 0.5%, of total risk weighted assets (as defined in the APRA Prudential Standard APS 112)

(h) 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 group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) 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.

(j) 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.

Significant accounting policies (Continued)

(k) 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.

(l) 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.

(m) 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.

(n) Financial instruments

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

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(f) Loans and advances 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.

Significant accounting policies (Continued)

(n) Financial instruments (continued)

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.

(o) 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.

(p) 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.

(q) 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.

(r) 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 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.

(s) 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.

Significant accounting policies (Continued)

(t) Comparative information

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

(u) 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 group.

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 cusomter'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 fo 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.

(v) 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 2011.

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

(w) 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 2012. The effect of these new or amended Accounting Standards is expected to give rise to additional disclosures and new policies being adopted. 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	Impact on Company financial report	Application date for Company
AASB 9	Financial Instruments	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. (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. (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. (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. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: - The change attributable to changes in credit risk are presented in other comprehensive income (OCI) - The remaining change is presented in profit or loss 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.	1 January 2015	Impact on the Company has not yet been determined.	1 July 2015
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.	1 July 2013	This is not expected to have a significant impact on the amounts recognised or disclosed.	1 July 2013

2. Statement of Comprehensive Income

(a) Net interest income

	Average balance $	Interest $	Average Rate %
2012			
Cash at bank and deposits on call	13,192,251	552,265	4.19
Loans and advances	46,963,361	3,428,113	7.33
	60,155,612	3,980,378	6.64
Deposits	53,356,893	1,980,042	3.71
	53,356,893	1,980,042	3.71
Net interest income		2,000,336	2.93
2011			
Cash at bank and deposits on call	8,456,436	367,204	4.34
Loans and advances	40,635,999	3,025,625	7.45
	49,092,435	3,392,829	6.91
Deposits	43,876,906	1,503,804	3.43
	43,876,906	1,503,804	3.43
Net interest income		1,889,025	3.48

(b) Non-interest revenue

	2012 $	2011 $
Other operating income		
Lending fees	118,600	142,401
Commissions and other fees	333,454	350,469
Dividends received	30,521	24,251
Insurance income	-	133
Bad debts recovered	2,325	21,400
Other	28,628	8,781
	513,528	547,435

(c) Impairment losses on loans and advances	2012 $	2011 $
Impairment (reversal)/expense	(14,114)	25,259

3. Profit Before Income Tax

Profit before income tax has been determined after:

Interest expense	1,980,042	1,503,804
Other expenses		
Staff related costs		
Salaries and wages	493,860	503,702
Superannuation	45,199	43,931
Other	21,463	21,037
Depreciation	32,773	37,325
Amortisation	32,924	24,810
Administrative expenses		
Advertising and promotions	98,675	51,287
Directors' fees	47,088	47,742
Demutualisation costs	235,162	379,902
Computer system and software costs	122,670	117,645
Communication and website costs	127,311	86,112
Insurance costs	55,564	44,197
Consulting costs	131,096	92,902
Products and services delivery costs	322,826	344,457
General administrative costs	189,238	184,587
Total other expenses	1,955,849	1,979,636

4. Income Tax

(a)	The components of tax expense comprise		
	Current tax	140,224	207,172
	Deferred tax	(39,821)	(120,260)
	Adjustment of current tax in prior years	3,275	(3,514)
		103,678	83,398
	The prima facie income tax payable on the operating profit is reconciled as follows:		
(b)	Profit before tax	572,129	431,565
	Prima facie income tax expense on profit before income tax at 30%	171,639	129,469
	Adjustment of current tax in prior years	3,275	(3,514)
	Tax effect of:		
	Equity raising costs	(71,236)	(43,962)
	Other non-allowable items	-	1,405
		103,678	83,398

5. Cash and Cash Equivalents

	2012 $	2011 $
Cash on hand	213,491	311,156
Cash at bank	3,586,825	4,283,206
	3,800,316	4,594,362

6. Due From Other Financial Institutions

Deposits with Authorised Deposit-taking Institutions		
Maturity analysis	21,409,531	7,942,773
- Not longer than 3 months	21,409,531	7,942,773

7. Loans and Advances

Overdrafts	942,290	839,316
Term loans	48,154,021	43,581,429
	49,096,311	44,420,745
Provision for impairment	(33,516)	(47,822)
	49,062,795	44,372,923
Maturity analysis – gross loans and advances		
- Overdrafts	942,290	839,316
- Not longer than 3 months	1,881	3,097
- Longer than 3 and not longer than 12 months	51,539	413,176
- Longer than 1 and not longer than 5 years	4,293,252	4,116,430
- Longer than 5 years	43,807,349	39,048,726
	49,096,311	44,420,745

8. Provision for Impaired Loans

		2012 $	2011 $
	The policy relating to the recognition of impaired assets is set out in Note 1(g).		
(a)	Total provision comprises		
	Specific provisions	33,516	22,938
	Collective provisions	-	24,884
		33,516	47,822
(b)	Specific provision for impairment		
	Opening balance	22,938	5,528
	Bad and doubtful debts provided for during the year	10,386	16,886
	Unused amounts reversed	-	-
	Bad debts written off during the year	192	524
	Closing balance	33,516	22,938
(c)	Collective provision for impairment		
	Opening balance	24,884	17,558
	Bad and doubtful debts provided for during the year	-	7,326
	Unused amounts reversed	(24,884)	-
	Bad debts written off during the year	-	-
	Closing balance	-	24,884
(d)	Net charge/(credit) to statement of comprehensive income for bad and doubtful debts comprises of:		
	Specific & collective provision	(14,307)	25,259
	Bad debts recovered	(2,325)	(21,400)
		(16,632)	3,859
(e)	Grading of credit risk loans		
	Non accrual loans	259,628	388,982
	Provision for impairment	(33,516)	(47,822)
		226,112	341,160
	Restructured loans	293,053	464,468
	Provision for impairment	-	-
		293,053	464,468

9. Other Assets

	2012 $	2011 $
Accrued interest receivable	19,929	11,480
Prepayments	94,137	-
Other debtors	13,874	9,326
	127,940	20,806

Other assets are non-interest bearing and represent receivables with various maturities.

10. Other Financial Assets

Shares in unlisted corporations	141,969	141,969

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 21. 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.

11. Property, Plant and Equipment

	2012 $	2011 $
Land – Independent valuation (2007)	248,500	248,500
Buildings		
Independent valuation (2007)		
Cost	386,500	386,500
Accumulated depreciation	(41,108)	(33,378)
	345,392	353,122
Office plant and equipment		
Cost	161,373	157,423
Accumulated depreciation	(152,802)	(144,996)
	8,571	12,427
Motor vehicles		
Cost	34,723	34,723
Accumulated depreciation	(22,112)	(14,298)
	12,611	20,425
Computer equipment		
Cost	210,205	204,657
Accumulated depreciation	(195,510)	(186,087)
	14,695	18,570
Total property, plant and equipment	629,769	653,044

11. Property, Plant and Equipment (Continued)

The Company's land and buildings were revalued on 10 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:

	Land $	Buildings $	Office plant and equipment $	Motor vehicle $	Computer equipment $	Total $
2012						
Balance at beginning of the year	248,500	353,122	12,427	20,425	18,570	653,044
Additions	-	-	3,950	-	5,548	9,498
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Depreciation	-	(7,729)	(7,806)	(7,813)	(9,423)	(32,773)
Balance at end of the year	248,500	345,392	8,571	12,611	14,695	629,769
2011						
Balance at beginning of the year	248,500	363,310	16,297	28,376	26,162	682,644
Additions	-	-	2,376	-	5,349	7,725
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Depreciation	-	(10,188)	(6,246)	(7,951)	(12,941)	(37,325)
Balance at end of the year	248,500	353,122	12,427	20,425	18,570	653,044

12. Intangible Assets

	2012 $	2011 $
Computer software		
Cost	269,498	260,053
Accumulated amortisation	(99,911)	(66,987)
	169,587	193,066
Movements		
Balance at beginning of the year	193,066	199,207
Additions	9,445	18,669
Disposals	-	-
Amortisation	(32,924)	(24,810)
Balance at end of the year	169,587	193,066

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

13. Deferred Tax

		2012 $	2011 $
(a)	Assets		
	Deferred tax assets comprise:		
	Provision for doubtful debts	10,055	14,347
	Accrued expenses	13,520	15,312
	Provisions	41,869	46,764
	Demutualisation and equity raising costs	389,403	175,848
		454,847	252,271
	Movements		
	Balance at beginning of the year	252,271	68,412
	Credited to profit or loss	41,262	121,982
	Credited directly to equity	161,314	61,877
	Balance at the end of the year	454,847	252,271
(b)	Liabilities		
	Current tax asset/(liability)	52,091	(84,522)
	Deferred tax liabilities comprise:		
	Property, plant and equipment	63,028	63,265
	Other	743	-
		63,771	63,265
	Movements		
	Balance at beginning of the year	63,265	62,477
	Credited to equity	(934)	(934)
	Credited directly to profit or loss	1,440	1,722
	Balance at the end of the year	63,771	63,265

14. Deposits

	2012 $	2011 $
Call deposits	24,873,119	25,850,159
Term deposits	35,442,500	25,471,988
	60,315,619	51,322,147
Maturity analysis		
- On call	24,873,119	25,850,159
- Not longer than 3 months	19,378,120	3,475,217
- Longer than 3 months and not longer than 12 months	16,064,380	21,954,771
- Longer than 1 and not longer than 5 years	-	42,000
	60,315,619	51,322,147

There is no deposit exposure to any individual or group of customers which represents 10% or more of the Company's total liabilities. The majority of the deposits held by the Company are in respect of its customer base residing predominately within Western Australia.

15. Creditors and Other Payables

	2012 $	2011 $
Accrued interest payable	497,828	405,772
Payables and accrued expenses	254,982	391,083
	752,810	796,855

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.

16. Provisions

	2012 $	2011 $
Employee entitlements		
Current	106,895	123,457
Non-current	32,668	29,589
	139,563	153,046

17. Member Shares and Issued Capital

a) Member shares

	2012 $	2011 $
Nil member shares (2011: 2,675 member shares at $4/share)	-	10,700

Movements in member shares on issue:	Number of shares	2012 $	Number of shares	2011 $
Beginning of the financial year	2,675	10,700	2,415	9,660
Member shares issued/(redeemed) during the year	(32)	(128)	260	1,040
Transferred to issued capital upon demutualisation	(2,643)	(10,572)	-	-
End of financial year	-	-	2,675	10,700

b) Issued capital

	2012 $	2011 $
15,666,829 fully paid ordinary shares (2011: nil fully paid ordinary shares) at $1 per share	12,955,824	-

Movements in ordinary shares on issue:	Number of shares	2012 $	Number of shares	2011 $
Beginning of the financial year	-	-	-	-
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	10,572	-	-
Shares issued under Prospectus	9,580,000	9,000,000	-	-
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	-	-

During the financial year the Board came to the view that it would be in the best interests of the Members for the Company to be demutualised and the resulting new entity, Goldfields Money Limited listed on the Australian Securities Exchange (ASX) to enable, amongst other things, additional capital to be raised for the purpose of growing the business as an Authorised Deposit taking Institution.

17. Member Shares and Issued Capital (Continued)

As part of the demutualisation and listing the following key equity transactions occurred in line with the Prospectus dated 14 February 2012:

- Each Members share in GCU would be subdivided into 2,303 ordinary shares in Goldfields Money Limited (nil consideration)
- 2,643 members shares were converted into 6,086,829 ordinary shares
- Members general reserve was transferred to issued capital
- 9,000,000 ordinary shares were issued via a public offer at $1.00 per share
- 580,000 ordinary shares were issued to GCU Community Trust as part of the public offer (nil consideration)
- 4,500,000 options with a fair value of $1,830,600 (refer to note 17(c)) were free attaching to every two ordinary shares subscribed under the offer.

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.

	2012 $	2011 $
c) Other contributed equity		
Balance at the beginning of the period	-	-
Value of options issued under Prospectus	1,830,600	-
Balance at the end of the period	1,830,600	-

As disclosed above, as part of the public offer of ordinary shares in Goldfields Money Limited, 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 2012 or 2011.

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 options issued during the year ended 30 June 2012:

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 value of the options has been recognised as other contributed equity.

18. Equity Raising Costs

	2012 $	2011 $
Balance at the beginning of the year	301,482	-
Transaction costs	1,082,581	743,261
Demutualisation costs recognised in the income statement	(235,326)	(379,902)
Deferred tax recognised directly in equity	(203,701)	(61,877)
Balance at the end of the year	945,036	301,482

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.

Before tax effect, total equity raising costs and demutualisation expenses over the 2011 and 2012 financial years was $1,825,842.

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(g)

(c) General Reserves

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

20. Standyby Borrowing Facilities

The Company has an overdraft facility of $1,200,000 (2011: $1,200,000) with CUSCAL Ltd which is secured by a floating charge over its assets. As at 30 June 2012, the entire facility was unused.

21. 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.

(b) First Data Resources

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.

(c) The System Works

This company, an Integrated Data Processing Centre, provided and maintained the computer mainframe hardware utilised by the Company.

22. Auditor's Remuneration

	2012 $	2011 $
The auditor of Goldfields Money Limited is RSM Bird Cameron Amounts received or due and receivable by RSM Bird Cameron for:		
- Audit services	72,750	45,500
- Tax compliance	12,910	-
- Non-audit services	20,000	44,300
	105,660	89,800

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) Contingent liabilities

In the prior period the Company was a party to the Company Financial Support System (CUFSS). During the year Goldfields Money Limited ceased its affiliation with CUFSS and as a result no longer has a contingent liability as at 30 June 2012.

	2012 $	2011 $
CUFSS facility exposure	-	1,859,951

(c) Outstanding loan commitments

	2012 $	2011 $
Loans approved but not advanced	1,180,823	631,37
Loan funds available for redraw	2,997,779	2,858,188
	4,178,602	3,489,561

(d) Outstanding overdraft commitments

	2012 $	2011 $
Overdraft facilities approved but not disbursed	553,066	526,848

(e) Lease commitments

The Company has obligations under the terms of the lease of its office premises for a term of up to 3 months, there are no contractual options to extend the lease. Lease payments are payable in advance by equal monthly instalments due on the 1st day of each month.

	2012 $	2011 $
Due not later than one year	9,809	33,489
Due later than one year and not later than five years	-	-
	9,809	33,489

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

(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:

	2012 $	2011 $
Cash on hand and at bank (Note 5)	3,800,316	4,594,362
Due from other financial institution (Note 6)	21,409,531	7,942,773
	25,209,847	12,537,135

(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	468,451	348,167
Non-cash items		
Amortisation	32,924	24,810
Depreciation	32,773	37,325
Impairment of receivables	(14,114)	25,259
Movement in assets and liabilities		
Other assets	(117,855)	(3,703)
Deferred tax assets	(41,262)	(184,459)
Current tax payable	(136,612)	17,274
Payables	87,829	64,199
Deferred tax liabilities	1,440	416,265
Provisions	(13,483)	9,987
	300,091	755,124

27. Interest Rate Change Profile of Financial Assets and Liabilities

Financial assets and liabilities have conditions that allow interest rates to be amended either on maturity (term deposits and term investments) or after adequate notice is given (loans and savings). The table below shows the respective value of funds where interest rates are capable of being altered within the prescribed time bands, being the earlier of the contractual re-pricing date, or maturity date.

2012	Weighted Average Effective Interest Rate %	Floating Interest Rate	Fixed interest rate 1 year or less	Fixed interest rate 1 to 5 years	Non-interest bearing	Total carrying amount per the statement of financial position
FINANCIAL ASSETS						
Cash and liquid assets	0.50	3,586,825	-	-	213,491	3,800,316
Due from other financial institutions	3.80	-	21,409,531	-	-	21,409,531
Loans and advances	6.72	49,062,795	-	-	-	49,062,795
Other investments	-	-	-	-	141,969	141,969
Total financial assets		52,649,620	21,409,531	-	355,460	74,414,611
FINANCIAL LIABILITIES						
Deposits	3.57	24,873,119	35,442,500	-	-	60,315,619
Creditors and other payables	-	-	-	-	752,810	752,810
Total financial liabilities		24,873,119	35,442,500	-	752,810	61,068,429
Net financial assets/(liabilities)		27,776,501	(14,032,969)	-	(397,350)	13,346,182

2011	Weighted Average Effective Interest Rate %	Floating Interest Rate	Fixed interest rate 1 year or less	Fixed interest rate 1 to 5 years	Non-interest bearing	Total carrying amount per the statement of financial position
FINANCIAL ASSETS						
Cash and liquid assets	0.50	4,283,206	-	-	311,156	4,594,362
Due from other financial institutions	5.11	-	7,942,773	-	-	7,942,773
Loans and advances	7.61	44,372,923	-	-	-	44,372,923
Other investments	-	-	-	-	141,969	141,969
Total financial assets		48,656,129	7,942,773	-	453,125	57,052,027
FINANCIAL LIABILITIES						
Deposits	3.80	25,850,159	25,429,988	42,000	-	51,322,147
Creditors and other payables	-	-	-	-	796,855	796,855
Total financial liabilities		25,850,159	25,429,988	42,000	796,855	52,119,002
Net financial assets/(liabilities)		22,805,970	(17,487,215)	(42,000)	(343,730)	4,933,025

28. 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		Total carrying amount per the statement of financial position	
	2012 $	2011 $	2012 $	2011 $
FINANCIAL ASSETS				
Cash	3,800,316	4,594,362	3,800,316	4,594,362
Due from other financial institutions	21,409,531	7,942,773	21,409,531	7,942,773
Loans and advances	49,096,311	44,420,745	49,062,795	44,372,923
Other financial assets	141,969	141,969	141,969	141,969
Total financial assets	74,448,127	57,099,849	74,414,611	57,052,027
FINANCIAL LIABILITIES				
Deposits	60,315,619	51,322,147	60,315,619	51,322,147
Creditors and other payables	752,810	796,855	752,810	796,855
Total financial liabilities	61,068,429	52,119,002	61,068,429	52,119,002

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. 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.

28. Fair Value of Financial Assets and Liabilities (Continued)

Creditors and other payables

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

Other financial assets

Refer to Note 10.

29. Financial Risk Management Objectives And Policies

The Company has exposure to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk
- 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.

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.

Risk management structure

Board of Directors

The Board of Directors is ultimately responsible for identifying and controlling risks. The prudential standards issued by the Australian Prudential Regulation Authority (APRA) addresses risk management requirements for Company 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.

Management

Management monitors risk on a day to day basis, and manages Board approved programs that either reduce or transfer risk, where appropriate. Management provides to both the Board and the Audit and Risk Management Committee, risk reports that are distributed regularly to enable a detailed understanding of the current risk environment.

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.

29. Financial Risk Management Objectives And Policies (Continued)

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 exposures.

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. 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.

The management of market risk is the responsibility of senior management, who report directly to the Board.

(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. Most banks are exposed to interest rate risk within their treasury operations. The Company does not trade in financial instruments.

(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 on the banking book is monitored by management. The level of mismatch on the banking book is set out in note 28 which displays the period that each asset and liability will reprice as at the balance date. The risk is not considered significant enough to warrant the use of derivatives to mitigate this risk.

The major classes of financial assets and liabilities that are subject to interest rate variation are loans and advances, cash with banks, short term 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 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;
- 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.

29. Financial Risk Management Objectives And Policies (Continued)

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 +/- 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)	
	2012 $	2011 $	2012 $	2011 $
100 basis points increase	214,333	154,636	214,333	154,636
100 basis points decrease	(214,333)	(154,636)	(214,333)	(154,636)

(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. 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 due from other financial institutions. The fundamental principles that the Company applies to mitigate credit risk are:

- Issuing of Board approved delegated limits, approval levels, policies and procedures, consistent with the prudential standards issued by APRA;
- Maintaining a minimum of 50% of loans in well secured residential mortgages;
- Ensuring mortgage loans have a Loan to Valuation Ratio (LVR) that does not exceed 80%. For loans with an LVR in excess of 80%, mortgage insurance is required to limit the risk exposure;
- Ensuring credit is not advanced unless a borrower meets a defined approval criteria;
- Limits placed on the maximum exposure to individual counterparties or related groups of counterparties;
- Regular analysis of arrears and ability to meet contractual obligations;
- Ensuring that cash at banks and investments are limited to high credit quality financial institutions and that credit exposure to any one financial institution is also limited;
- Ensuring that adequate and regular monitoring reports are prepared and delivered for senior management and the Board's review;
- Establishing appropriate provisions to recognise the impairment of loans and facilities; and
- Ensuring that credit risk management is subject to regular internal audit.

29. Financial Risk Management Objectives And Policies (Continued)

	2012 $	2011 $
Exposure to credit risk – loans and advances		
Carrying amount		
Past due but not impaired		
Up to 30 days	1,701,694	2,036,502
90 days & less than 182 days	223,259	-
	1,924,953	2,036,502
Impaired - mortgage loans		
Up to 90 days	-	127,905
90 days & less than 182 days	-	-
	-	127,905
Impaired – personal loans		
30 days & less than 60 days	-	12,370
60 days & less than 90 days	-	-
90 days & less than 182 days	-	229,376
182 days & less than 273 days	-	-
	-	241,746
Overdrawn/over-limit		
Less than 14 days	5,493	7,900
14 days & less than 90 days	3,756	4,212
90 days & less than 182 days	2,399	3,482
182 days & over	30,214	20,587
	41,862	36,181
Total past due and impaired		
Collective provision	-	(22,938)
Specific provision	(33,516)	(24,884)
Total provision	(33,516)	(47,822)
Neither past due nor impaired	47,129,496	41,978,411
	49,062,795	44,372,923

29. Financial Risk Management Objectives And Policies (Continued)

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.

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.

It is the Company's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. The Company does not use or take repossessed properties for business use. During the year ended 30 June 2012, the Company took possession of one mortgaged property held for collateral (2011: nil). The mortgaged property was sold and the full value of the loan outstanding of $229,376 was recovered. A specific provision balance of $22,938 was also reversed during the period.

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

	2012 $	2011 $
Overdrafts	942,290	839,316
Residential loans	43,518,851	40,313,776
Commercial loans	2,644,687	1,106,442
Personal loans	1,990,483	2,161,211
Total loans gross	49,096,311	44,420,745

29. Financial Risk Management Objectives And Policies (Continued)

As at 30 June 2012 there are 3 loans (2011: 55) which individually have facilities which represent 5% or more of the tier 1 capital base. The total of these facilities which represent loans plus undrawn credit facilities amount to $2,383,471 (2011: $22,676,559).

The Company operates within the Western Australian region, servicing members who are residents of this region. 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.

Liquidity risk

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.

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.
- Periodically liquidity forecasts and associated worst-case scenarios are considered and reported to the Audit and Risk Management Committee.
- Regularly reporting current and emerging liquidity management trends to the Audit and Risk Management Committee 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. Should the liquidity ratio fall below the trigger level of 15% the management and board are to address the matter and ensure that the liquid funds are obtained from new deposits, borrowing facilities and other risk management tools available.

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. Where the total of an individual or group exposure exceeds 10% of the Company's total liquidity holdings, it is considered that a significant concentration exists.

Total liquidity holdings are the sum of the asset classes for cash and cash equivalents and investments (held to maturity).

29. Financial Risk Management Objectives And Policies (Continued)

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

	2012 $	2011 $
High quality liquid assets	25,209,847	12,537,135
Liability base	66,249,754	58,777,590
Liquidity ratio	38.05%	21.3%

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.

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 the 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

29. Financial Risk Management Objectives And Policies (Continued)

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 a capital policy and 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 II 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

The Company's regulatory capital is analysed into two tiers:

- Tier 1 capital, which includes general reserves and current year earnings.
- Tier 2 capital, which includes upper tier 2 capital of general reserve for credit losses and asset revaluation reserves, and lower tier 2 capital of subordinated debt.

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. APRA may require an ADI to hold more than 50% of its required prudential capital in the form of Tier 1 capital and there are restrictions on the amount of collective impairment allowances that may be included as part of Tier 2 capital.

29. Financial Risk Management Objectives And Policies (Continued)

The Company's policy is to apply a minimum target of 20% capital (2011:15%).

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

	2012 $	2011 $
Tier 1 Capital	13,837,768	5,222,099
Tier 2 Capital	294,423	266,309
Total Regulatory capital	14,122,192	5,488,408
Risk weighted assets	32,897,073	26,478,355
Capital ratio	42.9%	20.7%

30. 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 Pendal	
Ashton Lewis George	(resigned 11 May 2012)
Gregory Coyle	(resigned 11 May 2012)
Leigh Stanley Junk	
Lisa Michelle Ellery	(resigned 17 November 2010)
William Thomas McKenzie	
Robert Bransby	(appointed 11 May 2012)

Executives

David Holden	appointed 11 May 2012
Michael Verkuylen	appointed 25 June 2012
Farley Fewkes*	

* Mr Fewkes ceased being a KMP on 11 May 2012.

30. Related Party Disclosures (Continued)

(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:

	2012 $	2011 $
Short term employee benefits	190,792	159,527
Post-employment benefits	16,015	20,725
Other long-term benefits	3,171	3,162
Termination benefits	-	-
	209,978	183,414

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.

30. Related Party Disclosures (Continued)

(c) Loans to Key Management Personnel (KMP)

	2012 $	2011 $
(i) The aggregate value of loans to KMP and their related parties as at the reporting date amounted to:	-	236,703
(ii) The total value of credit facilities to KMP and their related parties, as at the reporting date amounted to:	-	276,907
Less amounts drawn down and included in (i)	-	(236,703)
Net balance available	-	40,204
(iii) During the year the aggregate value of loans disbursed to KMP and their related parties amounted to:	-	-
(iv) During the year the aggregate value of repayments received amounted to:	24,347	54,500
(v) Interest and other revenue earned on loans and revolving credit facilities to KMP and their related parties	42,629	16,161

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	511,950	136,686
Total interest paid on deposits to KMP	14,993	2,534
Provision of motor vehicle	13,214	13,214

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.

30. Related Party Disclosures (Continued)

(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.

(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

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

(a) Refer to note 17 for details
(b) Ceased as KMP's on 11 May 2012
(c) Appointed 11 May 2012
(d) Appointed 25 June 2012

In 2011, each Director and KMP held one member share in GCU, except for A. Pendal and L. Junk which in addition to their directly held member share, also indirectly held one member share each. There were no member shares granted as remuneration.

30. Related Party Disclosures (Continued)

Option holdings of key management personnel

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

(a) Refer to note 17 for details (c) for information on options on issue
(b) Ceased as KMP's on 11 May 2012
(c) Appointed 11 May 2012
(d) Appointed 25 June 2012

There were no options on issued in 2011.

31. 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:

	2012 $	2011 $
Net profit attributable to ordinary share holders	468,451	349,101
Weighted average number of ordinary shares for basic earnings per share	1,678,589^	2,545
Effect of dilution: Share options	–	–
Weighted average number of ordinary shares adjusted for dilution	1,678,589	2,545

^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) (2011: nil) 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.

32. 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 2012 (2011: nil).

Franking credit balance:

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

	2012 $	2011 $
Franking account balance as at the end of the financial year at 30% (2011: 30%)	2,368,707	2,171,932
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	241,138	186,382
Franking credits that arise from the receipt of franked dividends	13,081	10,393
Franking credits available for subsequent reporting periods based on tax rate of 30% (2011: 30%)	2,622,926	2,368,707

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 2012 are in accordance with the Corporations Act 2001, including:
      i. Giving a true and fair view of its financial position as at 30 June 2012 and performance
      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 2.
   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 2012.

On behalf of the board

ALLAN PENDAL - Director

17 August 2012

RSM Bird Cameron Partners

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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 2012, 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 2, 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.

RSM Bird Cameron Partners

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 2012 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 2.

Report on the Remuneration Report

We have audited the Remuneration Report contained in the directors' report for the year ended 30 June 2012. 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 2012 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

Perth, WA
Dated: 17 August 2012

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 16 August 2012.

a) Distribution of equity securities

Spread of holdings	Number of holders	Number of units	% of total issued capital
1-1000	21	11,065	0.071%
1,001-5,000	2,221	5,308,084	33.881%
5,001-10,000	61	486,499	3.105%
10,001-100,000	101	3,605,844	23.016%
100,001-999,999,999,999	20	6,255,337	39.927%
TOTAL	2,424	15,666,829	100%

b) Twenty largest holders of quoted equity securities

Rank	Shareholder	Number of units	% of total issued capital
1	Rocket Science Pty Ltd	1,060,000	6.766
2	Dreampoint Investments Pty Ltd	580,000	3.702
3	JH Nominees Australia Pty Ltd	513,034	3.275
4	Kemast Investments Pty Ltd	350,000	2.234
5	Wulura Investments Pty Ltd	350,000	2.234
6	Two Tops Pty Ltd	350,000	2.234
7	Kingslane Pty Ltd	350,000	2.234
8	Jasper Hill Resources Pty Ltd	350,000	2.234
9	Mr Michael Frank Manford	350,000	2.234
10	Aviemore Capital Pty Ltd	300,000	1.915
11	Flue Holdings Pty Ltd	250,000	1.596
12	Write Family Investments Pty Ltd	200,000	1.277
13	Goldfields Hotel Pty Ltd	200,000	1.277
14	Mr David Holden & Mrs Eun-Jung Holden	200,000	1.277
15	Marford Group Pty Ltd	200,000	1.277
16	Future Super Pty Ltd	150,000	0.957
17	Mr Mark John Bahen & Mrs Margaret Patricia Bahen	150,000	0.957
18	Mr Daniel Paul Wise	125,000	0.798
19	Ocean View WA Pty Ltd	125,000	0.798
20	Brett Donald Richard & Linda Mary Richards	102,303	0.653
TOTAL		6,255,337	39.927%

c) Twenty largest holders of unlisted options

Rank	Option holder	Number of units	% of total options
1	Jasper Hill Resources Pty Ltd	175,000	3.890
2	Mr Michael Frank Manford <ATLO Super Fund A/C>	175,000	3.890
3	Two Tops Pty Ltd	175,000	3.890
4	Kingslane Pty Ltd <Cranston Superannuation A/C>	175,000	3.890
5	Kemast Investments Pty Ltd <S/F No 2 A/C>	175,000	3.890
6	Wulura Investments Pty Ltd <PTJ Super Fund A/C>	175,000	3.890
7	Aviemore Capital Pty Ltd	150,000	3.330
8	Flue Holdings Pty Ltd <Bromley Superannuation A/C>	125,000	2.780
9	Cranport Pty Ltd	100,000	2.220
10	Mr David Holden + Mrs Eun-Jung Holden	100,000	2.220
11	Rocket Science Pty Ltd <The Trojan Capital Fund A/C>	100,000	2.220
12	Marford Group Pty Ltd	100,000	2.220
13	Citicorp Nominees Pty Limited	87,500	1.940
14	Future Super Pty Ltd	75,000	1.670
15	Mr Mark John Bahen + Mrs Margaret Patricia Bahen	75,000	1.670
16	Mr Daniel Paul Wise <Ark Investments A/C>	62,500	1.390
17	Ocean View WA Pty Ltd <Daniel Wise Superfund A/C>	62,500	1.390
18	Vanelz Pty Ltd <Freedom Super Fund A/C>	50,000	1.110
19	Moosehead Pty Limited	50,000	1.110
20	Blu Bone Pty Ltd	50,000	1.110
TOTAL		2,237,500	49.720%

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 shareholder	Number of units	% of total issued capital
Rocket Science Pty Ltd	1,060,000	6.766
JH Nominees Australia Pty Ltd	513,034	3.275
TOTAL RELEVANT INTERESTS OF ROCKET SCIENCE PTY LTD AND ITS ASSOCIATE	1,573,034	10.041%

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