

Goldfields Credit Union Limited
ACN 087 651 849

Interim Financial Report
For the half year ended 31 December 2011

Goldfields Credit Union Limited

Interim Financial Report

STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	31 Dec 2011 \$	31 Dec 2010 \$
Interest revenue		1,993,506	1,643,843
Interest expense		(981,947)	(698,935)
Net interest revenue		1,011,559	944,908
Non-interest revenue	2	253,278	249,667
Impairment losses on loans and advances		10,785	(3,061)
Other expenses	2	(897,167)	(912,005)
Profit before income tax		378,455	279,509
Income tax expense		(98,727)	(87,701)
Profit for the period	2	279,728	191,808
Other comprehensive income		-	-
Total comprehensive income for the period		279,728	191,808

The accompanying notes form part of these financial statements.

Goldfields Credit Union Limited

Interim Financial Report

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	31 Dec 2011 \$	30 Jun 2011 \$
ASSETS		
Cash and cash equivalents	1,213,105	4,594,362
Due from other financial institutions	11,428,793	7,942,773
Loans and advances to members	46,167,253	44,372,923
Other assets	59,084	20,806
Other financial assets	141,969	141,969
Property, plant and equipment	640,634	653,044
Intangible assets	181,746	193,066
Deferred tax assets	272,305	252,271
TOTAL ASSETS	60,104,889	58,171,214
LIABILITIES		
Deposits from members	53,177,650	51,322,147
Creditors and other payables	738,315	796,855
Current tax liabilities	48,584	84,522
Provisions	63,265	153,046
Deferred tax liabilities	139,822	63,265
TOTAL LIABILITIES	54,167,636	52,419,835
NET ASSETS	5,937,253	5,751,379
EQUITY		
Members' shares	3 10,600	10,700
Equity raising costs	3 (395,236)	(301,482)
Property, plant and equipment revaluation reserve	152,583	152,583
General reserve for credit losses	120,279	113,726
General reserves	6,049,027	5,775,852
TOTAL EQUITY	5,937,253	5,751,379

The accompanying notes form part of these financial statements.

Goldfields Credit Union Limited

Interim Financial Report

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Members Shares	Equity Raising Costs	Property, Plant and Equipment Revaluation Reserve	Retained Profits	General Reserve for Credit Losses	General Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2010	9,660	-	151,649	-	93,113	5,448,298	5,702,720
Total comprehensive income for the half year	-	-	-	238,064	-	-	238,064
Comprehensive income transferred to general reserve	-	-	-	(238,064)	-	238,064	-
Transfer from/to general reserve/ general reserve for credit losses	-	-	-	-	5,471	(5,471)	-
Contributions of equity net of transaction costs	-	(134,939)	-	-	-	-	(134,939)
Net issue/(return) of members equity	1,040	-	-	-	-	-	1,040
Balance at 31 December 2010	10,700	(134,939)	151,649	-	98,584	5,680,891	5,806,885
Balance at 1 July 2011	10,700	(301,482)	152,583	-	113,726	5,775,852	5,751,379
Total comprehensive income for the half year	-	-	-	279,728	-	-	279,728
Comprehensive income transferred to general reserve	-	-	-	(279,728)	-	279,728	-
Transfer from/to general reserve/ general reserve for credit losses	-	-	-	-	6,553	(6,553)	-
Contributions of equity net of transaction costs	-	(93,754)	-	-	-	-	(93,754)
Net issue/(return) of members equity	(100)	-	-	-	-	-	(100)
Balance at 31 December 2011	10,600	(395,236)	152,583	-	120,279	6,049,027	5,937,253

The accompanying notes form part of these financial statements.

Goldfields Credit Union Limited

Interim Financial Report

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 Dec 2011 \$	31 Dec 2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	1,974,363	1,630,096
Fees and commissions received	227,473	216,926
Dividends received	22,240	9,464
Other income	3,565	23,276
Interest and other costs of finance costs paid	(795,142)	(647,626)
Payments to suppliers and employees	(1,143,887)	(894,558)
Income tax paid	(112,150)	(75,566)
Net cash provided by operating activities	<u>176,462</u>	<u>262,012</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase in loans, advances and other receivables	(1,783,546)	(818,679)
Payments for property, plant and equipment	(3,822)	(5,163)
Payments for intangible assets	(3,430)	-
Net cash (used in) investing activities	<u>(1,790,798)</u>	<u>(823,842)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in deposits and other borrowings	1,855,502	4,540,840
Equity raising costs	(136,303)	(48,201)
Net increase in member shares	(100)	1,040
Net cash used in financing activities	<u>1,719,099</u>	<u>4,493,679</u>
Net increase in cash held	104,763	3,931,849
Cash and cash equivalents at beginning of period	<u>12,537,135</u>	<u>5,695,263</u>
Cash and cash equivalents at end of period (Note 4)	<u>12,641,898</u>	<u>9,627,112</u>

The accompanying notes form part of these financial statements.

Goldfields Credit Union Limited

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: BASIS OF PREPARATION

These general purpose interim financial statements for half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Goldfield Credit Union Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2011, together with any public announcements made during the following half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

New and Revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies.

NOTE 2: PROFIT FOR THE PERIOD

	31 Dec	31 Dec
	2011	2010
	\$	\$

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Non-interest revenue		
Lending fees	61,081	46,667
Commissions and other fees	166,392	170,259
Dividends received	22,240	9,464
Insurance income	-	(58)
Bad debts recovered	670	19,770
Gain on disposal of financial assets	-	-
Other	2,895	3,565
	<u>253,278</u>	<u>249,667</u>

Goldfields Credit Union Limited

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 2: PROFIT FOR THE PERIOD

	31 Dec 2011	31 Dec 2010
	\$	\$
Other expenses		
Staff related costs	249,168	300,260
Depreciation and amortisation	30,982	30,809
Directors' fees	22,236	25,506
Demutualisation costs	112,814	86,738
Consulting costs	54,000	46,716
Products and services delivery costs	173,755	166,112
Other general administrative costs	254,212	255,864
	<u>897,167</u>	<u>912,005</u>

NOTE 3: EQUITY

	31 Dec 2011	30 June 2011
	\$	\$
MEMBERS' SHARES		
2,650 (30 June 2011 : 2,675) issued and fully paid-up shares	10,600	10,700
EQUITY RAISING COSTS		
Opening balance	301,482	-
Transaction costs	249,117	743,261
Demutualisation costs recognised in the statement of comprehensive income	(112,814)	(379,902)
Deferred tax recognised directly in equity	(42,549)	(61,877)
	<u>395,236</u>	<u>301,482</u>

During the 2011 financial year, GCU's Board came to the view that it would be in the best interests of the Members for the Credit Union 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 process has been pursued by the Board and has required extensive interaction with government regulators, consultants, advisers and potential investors. There has been considerable cost involved in this process.

Transaction costs include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. The transaction costs of an 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 that are associated with the listing of equity already on issue are not be set off against equity, and recognised as an expense.

Should the equity transaction be abandoned any remaining costs will be transferred to the statement of comprehensive income and recognised as an expense.

Goldfields Credit Union Limited

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 4: NOTES TO THE STATEMENT OF CASH FLOWS

	31 Dec 2011 \$	31 Dec 2010 \$
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows		
Cash on hand and at bank	1,213,105	1,187,137
Due from other financial institutions	11,428,793	4,953,887
	<u>12,641,898</u>	<u>9,627,112</u>

NOTE 5: DIVIDENDS

No dividends have been paid or declared during the financial year.

NOTE 6: COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital expenditure commitments

There were no capital expenditure commitments at the reporting date.

(b) Contingent liabilities

The Credit Union is a party to the Credit Union Financial Support System (CUFSS). CUFSS is a voluntary scheme, which all Credit Unions who are affiliated with Credit Union Services Corporation (Australia) Limited (CUSCAL) have agreed to participate in.

CUFSS is a company limited by guarantee, with each Credit Union's guarantee being \$100.

The Credit Union is a party to the Credit Union Financial Support System (CUFSS). CUFSS is a voluntary scheme, which all Credit Unions who are affiliated with Credit Union Services Corporation (Australia) Limited (CUSCAL) have agreed to participate in.

As a member of CUFSS, the Credit Union may be required to:

Advance funds of up to 3% (excluding permanent loans) of total assets to another Credit Union requiring financial support;

Advance permanent loans of up to 0.2% of total assets per financial year to another Credit Union requiring financial support; and

Agree, in conjunction with other members, to fund the operating costs of CUFSS.

Goldfields Credit Union Limited

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 6: COMMITMENTS AND CONTINGENT LIABILITIES

It is the policy of the Credit Union to maintain sufficient liquid investments with CUSCAL to ensure that, if required, the credit union has the necessary funds available to meet its obligations in terms of the scheme.

	31 Dec 2011	30 Jun 2011
	\$	\$
CUFSS facility exposure	1,922,715	1,859,951
(c) Outstanding loan commitments		
Loans approved but not advanced	855,436	631,373
Loan funds available for redraw	2,821,623	2,858,188
	<u>3,677,059</u>	<u>3,489,561</u>
(d) Outstanding overdraft commitments		
Member overdraft facilities approved but not disbursed	622,042	526,848

The loans will be made available at the discretion of Management and the Board subject to the availability of funds, anticipated to be drawn down within 12 months.

NOTE 7: EVENTS AFTER THE END OF THE INTERIM PERIOD

On 9 January 2012, approval was given by the Australian Prudential Regulation Authority for the Credit Union's proposal to demutualise, list on the Australian Securities Exchange and raise additional capital. It is expected that this proposal will be put to a Member vote prior to 30 June 2012.

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

Goldfields Credit Union Limited

Interim Financial Report

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. give a true and fair view of the entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director


_____ [insert name]

Dated this

10th day of February 2012

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
GOLDFIELDS CREDIT UNION LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Goldfields Credit Union Limited which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the company's financial report is not presented fairly, in all material respects, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*. As the auditor of Goldfields Credit Union Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

RSM Bird Cameron Partners

Chartered Accountants

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Goldfields Credit Union Limited does not give a true and fair view of the financial position of the company as at 31 December 2011, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

Perth, WA

Dated: 13 February 2012

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

J A KOMNINOS
Partner