

GOSNELLS FINANCIAL SERVICES LIMITED

ABN 11 095 764 533

FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2013**

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

FINANCIAL REPORT
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GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

DIRECTORS' REPORT

The Directors of the company submit the financial report for the half-year ended 31 December 2013.

DIRECTORS

The Directors who held office during the period 1 July 2013 to 31 December 2013 are:

Raymond Norvill (Chairman, Non-Executive Director) Appointed 1/7/13
Brian Antunovich (Non-Executive Director) Appointed 1/7/13
Norman Barratt (Non-Executive Director) Appointed 1/7/13
Raymond Smith (Company Secretary, Non-Executive Director) Appointed 1/7/13
Leon Glucina (Treasurer, Non-Executive Director) Appointed 29/5/13
Albert Kalajzich (Non-Executive Director) Appointed 29/5/13
Robert Gibbons (Non-Executive Director) Appointed 29/5/13
Michelle Lennox (Executive Director)

PRINCIPAL ACTIVITIES

The principal activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

REVIEW OF OPERATIONS

The focus of the Company's operations during the half-year was the operation of the Gosnells Community Bank® branch of Bendigo Bank, pursuant to a franchise agreement. The company recorded a net loss after income tax from ordinary activities of \$20 for the six months ended 31 December 2013 (six months ended 31 December 2012 was (\$727)).

A dividend has not been issued from the profits of the 2013 financial year. A dividend is not expected to be issued in the 2014 financial year.

CORPORATE GOVERNANCE

The Directors have a strong commitment to good corporate governance. Their guiding principle in meeting this responsibility is to act honestly, conscientiously and fairly in accordance with the law in the interest of investors and other stakeholders.

Audit and Governance

Gosnells Financial Services Limited has established an Audit and Governance Committee. The members of the committee are:

Raymond Smith (Company Secretary, Non-executive Director)
Raymond Norvill (Chair, Non-executive Director)
Leon Glucina (Treasurer, Non-executive Director)
Tanya Poynter (Finance Officer, Non-Director)

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DIRECTORS' REPORT (CONT'D)

CORPORATE GOVERNANCE (CONT'D)

Audit and Governance (cont'd)

The primary function of the committee is to assist the Board in fulfilling its oversight responsibilities by reviewing:

- The financial information of the Company;
- The systems of internal control (governance) which management and the Board have established;
- The overall audit process of the Company;
- Regulatory obligations of the Company and compliance with these requirements;
- The systems of risk management which management and the Board have established.

In addition to the above, the Company has also implemented other corporate governance practices, which include:

- Director approval of operating budgets and monitoring of progress against these budgets;
- Ongoing Director training; and
- Monthly Director meetings to discuss performance and strategic plans.

AUDITOR'S DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 3 for the half-year ended 31 December 2013.

This report is signed in accordance with a resolution of the Board of Directors.



DIRECTOR

PERTH
DATED THIS 12th DAY OF MARCH 2014

GOSNELLS FINANCIAL SERVICES LIMITED

ABN 11 095 764 533

AUDITOR'S INDEPENDENCE DECLARATION

**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF GOSNELLS FINANCIAL SERVICES LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100

A MACRI
PARTNER

PERTH
DATED THIS DAY OF MARCH 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

TO: THE MEMBERS OF
GOSNELLS FINANCIAL SERVICES LIMITED

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Gosnells Financial Services Limited (the company) which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the Directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the half-year financial that gives a true and fair view report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* 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, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2013 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Gosnells Financial Services 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 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 *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the Directors of Gosnells Financial Services Limited would be in the same terms if provided to the Directors as at the date of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gosnells Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This review report relates to the financial report of Gosnells Financial Services Limited for the half year ended 31 December 2013 included on the company's website. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

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CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100

A MACRI
PARTNER

PERTH
DATED THIS DAY OF MARCH 2014

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Gosnells Financial Services Ltd, the Directors of the company declare that:

1. The financial statements and notes set out on pages 7 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (a) Complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2013 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

PERTH
DATED THIS 12th DAY OF MARCH 2014

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Revenue	2	411,150	448,444
Other Income	2	18,607	19,623
Employee Benefits Expense		(243,144)	(263,815)
Depreciation and Amortisation Expense		(10,107)	(10,519)
Other Expenses	3	(178,111)	(192,629)
Profit/(Loss) before Income Tax	4	(1,605)	1,104
Income Tax (Expense)/Credit		1,585	(1,831)
Net Profit/(Loss) after Income Tax Expense		(20)	(727)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Fair value gains on available-for-sale financial assets, net of tax		14,112	-
Total Other Comprehensive Income		14,112	-
Total Comprehensive Income Attributable to:			
Members of the Entity		14,092	(727)
Earnings per Share			
From Overall Operations:			
Basic Earnings per Share (cents)		(0.003)	(0.12)
Diluted Earnings per Share (cents)		(0.003)	(0.12)

The accompanying notes form part of these financial statements.

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	31 December 2013 \$	30 June 2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents		776,330	784,820
Trade and other receivables		79,418	78,032
Financial Assets		141,000	120,840
Other assets		7,724	9,027
Current tax assets		42,195	29,809
Total Current Assets		1,046,667	1,022,528
Non-Current Assets			
Property, plant and equipment		41,698	42,450
Intangible assets		30,833	35,833
Deferred tax assets		18,799	17,255
Total Non-Current Assets		91,330	95,538
TOTAL ASSETS		1,137,997	1,118,066
LIABILITIES			
Current Liabilities			
Trade and other payables		65,422	68,676
Short-term provisions		56,597	55,065
Total Current Liabilities		122,019	123,741
Non-Current Liabilities			
Long-term provisions		3,874	2,320
Deferred tax liabilities		16,862	10,855
Total Non-Current Liabilities		20,736	13,175
TOTAL LIABILITIES		142,755	136,916
NET ASSETS		995,242	981,150
EQUITY			
Issued capital		588,400	588,400
Retained earnings		406,842	392,750
TOTAL EQUITY		995,242	981,150

The accompanying notes form part of these financial statements.

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	Issued Ordinary Capital	Retained Earnings	Total
		\$	\$	\$
Balance at 1 July 2012		588,400	412,197	1,000,597
Profit attributable to the members of the company		-	(727)	(727)
Dividends paid or provided for	5	-	(35,531)	(35,531)
Balance at 31 December 2012		<u>588,400</u>	<u>375,939</u>	<u>964,339</u>
Balance at 1 July 2013		588,400	392,750	981,150
Profit attributable to the members of the company		-	14,092	14,092
Dividends paid or provided for	5	-	-	-
Balance at 31 December 2013		<u>588,400</u>	<u>406,842</u>	<u>995,242</u>

The accompanying notes form part of these financial statements.

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	31 December 2013 \$	31 December 2012 \$
Cash flows from operating activities		
Receipts from customers	450,991	471,259
Payments to suppliers and employees	(432,976)	(494,922)
Income tax paid	(12,386)	(20,231)
Interest received	14,806	23,518
GST Paid	(32,896)	-
Net cash provided by (used in) operating activities	<u>(12,461)</u>	<u>(20,376)</u>
Cash flows from investing activities		
Purchase of plant and equipment	-	(11,048)
Purchase of financial assets	-	(95,041)
Dividends and other Non operating income	3,937	-
Proceeds from sale of plant and equipment	454	-
Net cash provided by (used in) investing activities	<u>4,391</u>	<u>(106,089)</u>
Cash flows from financing activities		
Dividends paid	(420)	-
Net cash provided by (used in) financing activities	<u>(420)</u>	<u>-</u>
Net increase/(decrease) in cash held	(8,490)	(126,465)
Cash and cash equivalents at beginning of financial year	784,820	927,367
Cash and cash equivalents at end of financial year	<u><u>776,330</u></u>	<u><u>800,902</u></u>

The accompanying notes form part of these financial statements.

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Gosnells Financial Services 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 for the year ended 30 June 2013, together with any public announcements made during the following half-year.

Accounting Policies

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 below.

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the June 2013 annual report.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

Presentation of Items of Other Comprehensive Income

The Company adopted AASB 2011-9: Amendments to Australian Accounting Standards – *Presentation of Items of Other Comprehensive Income* on 1 July 2012. AASB 2011-9 is mandatory applicable from 1 July 2012 and amends AASB 101: *Presentation of Financial Statements*.

AASB 2011-9 amends the presentation requirements of other comprehensive income. It requires items of other comprehensive income to be grouped between:

- items that will not be reclassified subsequently to profit or loss; and
- those that will be reclassified subsequently to profit or loss when specific circumstances occur.

It also requires, when items of other comprehensive income are presented before the related tax effects with a single amount shown for the aggregate amount of income tax relating to those items, the amount of tax effect to be allocated between:

- items that will not be reclassified subsequently to profit or loss; and
- those that might be reclassified subsequently to profit or loss.

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

AASB 2011-9 also amends AASB 101 to change the title "income statement" to "statement of profit or loss" under the two-statement approach. Although other titles are also permitted, the Company has decided to use the title "statement of profit or loss".

The adoption of AASB 2011-9 only changed the presentation of the Company's financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the Company's financial statements.

NOTE 2: REVENUE AND OTHER INCOME

	31 December 2013	31 December 2012
Operating Activities		
- Franchise margin income	411,150	448,444
Non-Operating Activities		
- Interest received	14,670	19,623
- Dividends received	3,720	-
- Other income	217	-
	<u>18,607</u>	<u>19,623</u>
 Total Revenue	 <u>429,757</u>	 <u>468,067</u>

NOTE 3: OTHER EXPENSES

"Other expenses" include a loss on the sale of an asset. The asset was an office computer purchased on the 16/1/2013, and sold on the 01/12/2013. The loss was calculated as follows:

	31 December 2013	31 December 2012
Cost price of asset	(\$1,127)	-
Add accumulated Depreciation as at date of sale	\$247	-
Add proceeds from sale	<u>\$454</u>	-
Loss on Sale	<u>(\$426)</u>	-

GOSNELLS FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 4: PROFIT FOR THE PERIOD

	31 December 2013	31 December 2012
	\$	\$
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Interest revenue	14,670	19,244
Insurance	8,705	9,323
Printing and stationery	6,408	15,252
Promotions	11,764	39,680
Staff Training	6,355	16,654

NOTE 5: Dividends

Distributions paid/provided for:

No dividend was declared or paid in the 6 months ended 31/12/13.

A final fully franked ordinary dividend declared in October 2012 and paid on 1 February 2013 (post year end) of 6.0 cents per share franked at the tax rate of 30%.	-	35,531
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NOTE 6: Contingent Liabilities

There has been no change in contingent liabilities since the last reporting period.

NOTE 7: Events after the End of the Interim Period

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company except for the information disclosed in the Directors' report.

NOTE 8: Segment Reporting

The economic entity operates in a single service sector where it facilitates community banking services in Gosnells, Western Australia pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

GOSNELLS FINANCIAL SERVICES LIMITED

ABN 11 095 764 533


AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF GOSNELLS FINANCIAL SERVICES LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.


MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100


A MACRI
PARTNER

PERTH
DATED THIS 14th DAY OF MARCH 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

TO: THE MEMBERS OF GOSNELLS FINANCIAL SERVICES LIMITED

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Gosnells Financial Services Limited (the company) which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the Directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the half-year financial that gives a true and fair view report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* 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, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2013 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Gosnells Financial Services 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 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 *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the Directors of Gosnells Financial Services Limited would be in the same terms if provided to the Directors as at the date of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gosnells Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This review report relates to the financial report of Gosnells Financial Services Limited for the half year ended 31 December 2013 included on the company's website. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.



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