

**GOSNELLS FINANCIAL SERVICES LIMITED**

**ABN 11 095 764 533**

**FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED  
31 DECEMBER 2014**

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**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2014**

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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 2014.

**DIRECTORS**

The Directors who held office during the period 1 July 2014 to 31 December 2014 are:

Raymond Norvill (Chairman, Non-Executive Director)  
Brian Antunovich (Non-Executive Director)  
Albert Kalajich (Non-Executive Director)  
Robert Gibbons (Non-Executive Director)  
Christine French (Non-Executive Director) Appointed 25<sup>th</sup> August 2014  
Michelle Lennox (Executive Director) Resigned as Director 19<sup>th</sup> August 2014, continued as Branch Manager  
Raymond Smith (Company Secretary, Non-Executive Director) Resigned 3<sup>rd</sup> October 2014

**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<sup>®</sup> branch of Bendigo Bank, pursuant to a franchise agreement. The company recorded a net profit after income tax from ordinary activities of \$576 for the six months ended 31 December 2014 (six months ended 31 December 2013 was a loss of \$20).

**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)  
Tanya Poynter (Finance Officer, Non-Director)

**GOSNELLS FINANCIAL SERVICES LIMITED**  
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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 INDEPENDENCE 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 2014.

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

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**DIRECTOR**

**PERTH**  
**DATED THIS 12 DAY OF MARCH 2015**

**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 2014, 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

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



A MACRI  
PARTNER

PERTH  
DATED THIS 13<sup>TH</sup> DAY OF MARCH 2015

## 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 2014, the statement of profit or loss and other 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 of the half-year financial report 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 a 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 half – year 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 2014 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*, which has been given 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:

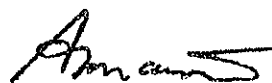
- (a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

### **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 2014 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.

MACRI PARTNERS

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



A MACRI  
PARTNER

PERTH  
DATED THIS 13<sup>TH</sup> DAY OF MARCH 2015



**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 2014 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.

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DIRECTOR

PERTH  
DATED THIS 12 DAY OF MARCH 2015



**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
<b>Revenue</b>	2	387,722	411,150
Other Income	2	16,906	18,607
Employee Benefits Expense		(236,807)	(243,144)
Depreciation and Amortisation Expense		(9,245)	(10,107)
Other Expenses	3	(167,662)	(178,111)
<b>Profit/(Loss) before Income Tax</b>	4	(9,086)	(1,605)
Income Tax (Expense)/Credit		9,662	1,585
<b>Net Profit/(Loss) after Income Tax Expense</b>		576	(20)
<b>Other Comprehensive Income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Fair value gains on available-for-sale financial assets, net of tax		5,124	14,112
<b>Total Other Comprehensive Income</b>		5,124	14,112
<b>Total Comprehensive Income / (Loss) Attributable to:</b>			
Members of the Entity		5,700	14,092
<b>Earnings per Share</b>			
From Overall Operations:			
Basic Earnings per Share (cents)		(0.098)	(0.003)
Diluted Earnings per Share (cents)		(0.098)	(0.003)

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 2014**

	Note	31 December 2014 \$	30 June 2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		784,685	835,028
Trade and other receivables		77,766	74,534
Financial Assets		153,720	146,400
Other assets		7,276	5,427
Current tax assets		10,792	8,094
<b>Total Current Assets</b>		1,034,239	1,069,483
<b>Non-Current Assets</b>			
Property, plant and equipment		25,126	28,866
Intangible assets		20,833	25,833
Deferred tax assets		30,647	21,471
<b>Total Non-Current Assets</b>		76,606	76,170
<b>TOTAL ASSETS</b>		1,110,845	1,145,653
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		65,694	106,350
Short-term provisions		55,537	59,235
<b>Total Current Liabilities</b>		121,231	165,585
<b>Non-Current Liabilities</b>			
Long-term provisions		7,911	5,776
Deferred tax liabilities		21,955	20,244
<b>Total Non-Current Liabilities</b>		29,866	26,020
<b>TOTAL LIABILITIES</b>		151,097	191,605
<b>NET ASSETS</b>		959,748	954,048
<b>EQUITY</b>			
Issued capital		588,400	588,400
Retained earnings		371,348	365,648
<b>TOTAL EQUITY</b>		959,748	954,048

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 2014**

	<b>Note</b>	<b>Issued Ordinary Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2013</b>		588,400	392,750	981,150
Loss for the period		-	(20)	(20)
Other Comprehensive income for the period		-	14,112	14,112
Dividends paid or provided for	5	-	-	-
<b>Balance at 31 December 2013</b>		<u>588,400</u>	<u>406,842</u>	<u>995,242</u>
 <b>Balance at 1 July 2014</b>		 588,400	 365,648	 954,048
Profit for the period		-	576	576
Other Comprehensive income for the period		-	5,124	5,124
Dividends paid or provided for	5	-	-	-
<b>Balance at 31 December 2014</b>		<u>588,400</u>	<u>371,348</u>	<u>959,748</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 2014**

	<b>31 December 2014 \$</b>	<b>31 December 2013 \$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	421,992	450,991
Payments to suppliers and employees	(424,664)	(432,976)
Income tax paid	(2,697)	(12,386)
Interest received	14,565	14,806
GST Paid	(21,780)	(32,896)
	<u>(12,584)</u>	<u>(12,461)</u>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(505)	-
Purchase of financial assets	-	-
Dividends and other Non operating income	3,960	3,937
Proceeds from sale of plant and equipment	-	454
	<u>3,455</u>	<u>4,391</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(41,214)	(420)
	<u>(41,214)</u>	<u>(420)</u>
Net cash provided by (used in) financing activities		
Net increase/(decrease) in cash held	(50,343)	(8,490)
Cash and cash equivalents at beginning of financial year	835,028	784,820
<b>Cash and cash equivalents at end of financial year</b>	<u><u>784,685</u></u>	<u><u>776,330</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 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Preparation**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 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 2014, together with any public announcements made during the following half-year.

These interim statements were authorised for issue on the 10<sup>th</sup> of March 2015.

**b. 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.

Interpretation 21: Levies is mandatorily applicable for annual financial reporting periods commencing 1 January 2014 and became applicable to the company for the first time in the current half – year reporting period 1 July 2014 to 31 December 2014. The interpretation clarifies that a liability to pay a government levy should be recognised when the activity triggering the payment has occurred.

The above change did not have any impact on the amounts reported for the current period or for any prior period in the Company's financial statement.

**GOSNELLS FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**NOTE 2: REVENUE AND OTHER INCOME**

	31 December 2014	31 December 2013
<b>Operating Activities</b>		
- Franchise margin income	387,722	411,150
<b>Non-Operating Activities</b>		
- Interest received	12,946	14,670
- Dividends received	3,960	3,720
- Other income	-	217
	<u>16,906</u>	<u>18,607</u>
 Total Revenue	 <u>404,628</u>	 <u>429,757</u>

**NOTE 3: PROFIT FOR THE PERIOD**

	31 December 2014 \$	31 December 2013 \$
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Interest revenue	12,946	14,670
Insurance	7,219	8,705
Printing and stationery	6,660	6,408
Promotions	10,619	11,764
Staff Training	4,400	6,355

**NOTE 4: DIVIDENDS**

Distributions paid/provided for:

No dividend was declared or paid out of profits earned in the 6 months ended 31 December 2014.	-	-
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A final fully franked ordinary dividend declared in June 2014 and paid on 22nd September 2014 (post year end) of 8.0 cents per share franked at the tax rate of 30%.	47,374	-
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(2013: paid on 1 February 2013 of 6.0 cents per share)

**GOSNELLS FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**NOTE 5: FAIR VALUE OF ASSETS AND LIABILITIES**

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair Value is the price the company would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**NOTE 6: FAIR VALUE MEASUREMENTS**

The company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets at fair value through profit or loss.

The company does not measure any other assets and liabilities at fair value on a non-recurring basis.

**(a) Fair Value Hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1** - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**NOTE 6: FAIR VALUE MEASUREMENTS (CONT)**

**Level 2** - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3** - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**Valuation techniques**

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

**Market approach** - Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**Income approach** - Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach** - Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the company's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:



**GOSNELLS FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**NOTE 6: FAIR VALUE MEASUREMENTS (CONT)**

**Recurring Fair Value Measurements**

	<b>31 December 2014</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Financial assets at fair value though profit or loss:	153			153
- shares in listed corporations	720	-	-	720
<b>Total financial assets recognised at fair value</b>	153720	-	-	153720

**Recurring Fair Value Measurements**

	<b>30 June 2014</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Financial assets at fair value though profit or loss:	146			146
- shares in listed corporations	400	-	-	400
<b>Total financial assets recognised at fair value</b>	146400	-	-	146400

**(b) Transfers Policy**

The policy of the company is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between level 1 and level 2 for assets measured at fair value on a recurring basis during the reporting period (June 2014: no transfers).

**GOSNELLS FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**NOTE 7: CONTINGENT LIABILITIES**

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

**NOTE 8: EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD**

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

**NOTE 9: 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.