goldfields

MONEY

Financial Report

ACN:087 651 849

30 June 2014

Contents

Corporate Information

ACN: 087 651 849

Directors

Mr. Allan Pendal	(Chairman and Non-executive Director)
Mr. William McKenzie	(Non-executive Director)
Mr. Robert Bransby	(Non-executive Director)
Mr. James Austin	(Non-executive Director)
Mr. Peter Wallace	(Non-executive Director)
Mr. David Holden	(Managing Director)

Company Secretary

Mr. Michael Verkuylen

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

120 Egan Street
KALGOORLIE WA 6430
Phone: 08 9021 6444

Share Register:

Advanced Share Registry
110 Stirling Hwy
Nedlands WA 6009
Tel:(618) 9389 8033
Fax:(618) 9262 3723

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**

CHAIRMAN'S AND MANAGING DIRECTOR REPORT

On behalf of the board of directors of Goldfields Money Limited (Goldfields Money), it is our pleasure to present the Annual Report for the end of financial year 2014 (FY'2014).

GROWTH STRATEGY

Goldfields Money has operated for two full financial years since it demutualised and listed on the ASX in May 2012. A key strategic objective during this time has been to grow the business whilst remaining profitable and not materially changing the risk profile of the Company. Over this period, the lending book has increased from $49m to $117m or 139%. Similarly total assets have increased from $79m to $143m or 81%. Whilst the growth achieved to date has been from a low base, it coincides with a challenging period of subdued industry credit growth and historically low interest rates.

In order to achieve this growth, we have invested in people, products and systems and this will need to be an ongoing investment to ensure we can continue our long term growth strategy.

During the current year we appointed a dedicated Risk & Compliance Manager to oversee the risk and compliance functions and to work alongside the Managing Director and Chief Financial Officer. We are continuing to review and consider other products and channels, such as Visa Debit cards which we expect will provide greater functional benefits for customers and improve the attractiveness of Goldfields Money's suite of products.

The Board remains committed to pursuing a high growth strategy, to significantly growing profitability whilst not materially changing the risk profile of the company. The vision remains to become a significant financial institution and to the deliver adequate and sustainable returns to shareholders.

During the year the strategic plan was reviewed. Goldfields Money's strategic plan was revised with a focus on three key objectives:

- Implementation of third party deposit offerings - to lower funding costs and diversify sources
- Operational excellence – improve productivity, efficiency and quality
- Strategic corporate transaction / partnerships – leverage Goldfields Money's unique position as an ASX listed Authorised Deposit-taking Institution.

FINANCIAL HIGHLIGHTS FOR FY'2014

- Loan growth of 41% or over $2.8m per month
- New lending averaging $4m per month
- Net interest income increased 15% or $344,488 to $2.58m
- Deposits growth of 27% or over $2.25m per month
- Total Assets as at 30 June 2014 of $143m versus $117m in previous year

Net Profit After Tax of $201,204 was broadly in line with FY'2013. Despite growth in the balance sheet generating additional net interest income, this additional margin was offset by greater operating costs. The result for the period was also affected by the reductions to the cash rate by the RBA which impacted the first half more than the second half of FY'2014. Net interest margins were squeezed as a result of these reductions combined with the structure of the company's funding book and the selected use of mortgage brokers and pricing to match competition offerings.

Evidence of Goldfields Money's prudent risk management and lending practices continues as can be seen by the historically low levels of arrears. On a portfolio basis the loan book remains well secured, with an average loan to value ratio of 65% and being predominately secured by residential mortgages.

MANAGING DIRECTOR AND CHAIRMAN'S REPORT (Continued)

OUTLOOK

There continues to be a significant level of market commentary around competition, appetite for credit, housing finance and the general state of the Australian economy. The Board remains confident it can continue to grow its balance sheet significantly, relative to Goldfields Money's size.

In July 2014, the Board and management finalised a robust internal capital adequacy assessment for regulatory purposes resulting in a reduction of the Company's minimum capital requirement for regulatory purposes from 20% to 18%. Lowering the minimum capital requirement provides further capacity to grow the lending book, and increase returns on capital.

In August 2014, the Company signed an agreement with an Australian Bank to provide the company with a $25m portfolio funding facility. This facility will provide Goldfields Money with the ability to originate and manage loans, with eligible loans funded by the facility to be recognised "off-balance sheet" for accounting and regulatory purposes.

Goldfields Money expects to grow its current level of profitability in the short term. The implementation of the strategic objectives above will support substantial earnings growth over the medium term. This includes diversifying lending channels, offering transactional deposit accounts through other parties aimed to lower funding costs and improvement in core processes to improve efficiency, productivity and contain operating costs.

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

Yours sincerely,

Allan Pendal	David Holden
Chairman	Managing Director
22 August 2014	22 August 2014

DIRECTORS' REPORT

Your Directors present their report of Goldfields Money Limited (the "Company") for the year ended 30 June 2014.

OPERATING AND FINANCIAL REVIEW
Throughout FY'2014 Goldfields Money continued its strategic objective to grow the balance sheet towards achieving economies of scale. This includes continued investment in operational and risk management capabilities. The company has achieved significant growth in lending activities, well above system growth. This growth trajectory has continued since demutualising in May 2012 and occurred during a period characterised by intense competition, subdued industry credit growth and higher customer repayments.

The key operating and financial metrics for the period are summarised in the table below:

Key Metric	30 June 2014	30 June 2013	Movement
Total Assets	$143,063,370	$116,764,441	22%
Loans	$117,338,970	$83,281,109	41%
Deposits	$127,689,699	$100,682,597	27%
Ave. Net Interest Margin	2.04%	2.3%	-0.26%*
Net profit after tax	$201,204	$196,709	2.3%
Capital Adequacy Ratio	21.5%	28.1%	5.6% *

*Expressed as an absolute change

Approximately $48m in gross loans (2013: $45m) was funded during the year, of which 57% was originated from the Perth metropolitan market. The Company also continues to grow the lending portfolio in the Goldfields region. Despite the strong level of growth during the year, net loan growth has been constrained by higher levels of prepayments attributable to consumers generally taking advantage of the lower interest rate environment to de-leverage. The net loan growth during the year was $34m or a monthly average of $2.8m.

Strong credit quality has also continued with no evidence of material loan stress. There were several loans greater than 90 days due as at 30 June 2014; however these are well secured and no specific provisions have been recognised.

The company commenced the financial year with surplus liquidity, which was used to fund part of the growth in the loan book during the period. The balance was funded with new deposits, primarily term deposits which were sourced from our deposit distribution network which remains reliable and relatively diverse for the Company's size and scale of operations.

The May and August 2013 reductions to the Cash Rate by the Reserve Bank of Australia, had an adverse impact on the Company's net interest margins, mainly in the first half of FY'2014. This was partially reflected in the lower first half profit of $69,402, compared to $131,802 in the second half of FY'2014. The impacts of competitive pricing to win new business, reliance on term deposit funding and the reductions over this period to our variable rate loans, has led to reduced net interest margin.

The profit of the Company for the financial year after provision for income tax was $201,204 (2013: $196,709). As described above there was downward pressure on net interest margins during the period, however balance sheet growth resulted in an additional $344,488 net interest income. This additional net interest income was mostly offset by higher operating costs incurred to meet expansion and regulatory requirements.

As at 30 June 2014, the company's capital adequacy ratio as reported for regulatory purposes was 21.5% (2013: 28.1%) which is well in excess of the company's internally assessed minimum of 20%. In July 2014, the Company re-assessed its minimum capital adequacy requirements and lowered the ratio to 18%. This will provide further capacity for continuing growth into FY'2015.

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.

DIRECTOR'S REPORT (continued)

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 2014.

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 also Deputy Mayor of the City of Kalgoorlie Boulder.

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

William McKenzie (Non-executive Director)

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

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

Leigh Junk (Non-executive Director) (Resigned 15 November 2013)

Mr Junk was appointed a Director in March 2004 and retired from the Board on 15 November 2014. He has tertiary qualifications in Surveying, Mining Engineering and Mineral Economics. He has gained extensive corporate experience in the mining industry. He was executive director and co-owner of private mining company Donegal Resources Pty Ltd until it was sold to a Canadian company in 2006. He has experience as a non-executive director through current board positions with Sentosa Mining Ltd, Doray Minerals Ltd and Aura Energy Ltd listed on the ASX.

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

Robert Bransby (Non-executive Director)

Mr Bransby was appointed a Director in May 2012. Mr Bransby is currently managing director of HBF Health Limited. Mr Bransby joined HBF in August 2005 as group general manager. He was appointed chief executive officer in January 2007 and managing director in January 2008. He is also director of HealthGuard Health Benefits Pty Ltd. Prior to working at HBF, Mr Bransby enjoyed a successful career in banking, holding a number of senior positions during twenty five years at the National Australia Bank Ltd. Mr Bransby is a director of ASX listed Pioneer Credit Limited (appointed February 2014), President of Private Healthcare Australia and is the Australian representative on the International Federation of Health Plans (iFHP) Council of Management.

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

James Austin (Non-executive Director) (Appointed 15 November 2013)

Mr Austin was appointed a Director in November 2013. He is currently the CFO of Firstmac Limited, one of Australia's largest non-bank lenders, a role he has held since 2005. Mr Austin studied at Queensland University of Technology where he obtained his Bachelor of Business (Accounting) and is a member of the Institute of Chartered Accountants. Mr Austin gained international finance experience while working for CSFB and Abbey National London in London. Upon returning to Australia Mr Austin worked for HSBC in Sydney for three years, Mr Austin was then promoted to the position of Chief Operating Officer HSBC Japan where he stayed for a further six years. For Firstmac, he managed the acquisition and integration of HSBC's $2.2 billion residential mortgage portfolio in 2006, and has overseen the Issuance of more than $7 billion of RMBS.

He is a member of the Remuneration Committee and Audit & Risk Management Committee.

DIRECTOR'S REPORT (continued)

Peter Wallace (Non-executive Director) (Appointed 8 August 2014)
Mr Wallace was appointed a director in August 2014. Mr Wallace brings more than 40 years of experience to the Goldfields Money Board from a range of appointments held within the banking and financial services industry, as well as a number of public and private company directorships.

Prior to his retirement in 2007, Mr. Wallace was the Head of Corporate (Western Australia) for Bell Potter Securities Ltd, Australia's largest retail broking house. He has directed capital raising for several large publicly listed companies as well as provided a variety of corporate advisory services to a wide range of companies, both private and publicly owned. Over the past 25 years he has also held executive management positions with Westpac Banking Corporation, Challenge Bank Ltd and National Australia Bank Ltd.

Mr Wallace has considerable public company experience having held directorships previously with Tethyan Copper Ltd, RuralAus Investments Ltd and Decmil Engineering Ltd. He is currently a director of Neptune Marine Services Limited, HBF Health Funds Incorporated and Katana Investments Limited.

He is a Senior Fellow of the Financial Services Institute of Australia, a Fellow of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Management.

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

Michael Verkuylen (Company Secretary)
Mr Verkuylen was appointed as company secretary in June 2012 and is also the Chief Financial Officer. He is a Chartered Accountant with over 10 years experience in the banking and financial services industry. He previously held a position with a major international accounting firm.

INTEREST IN SHARES AND OPTION OF THE COMPANY
As at the date of this report, the Directors hold shares of the company in their own name or a related body corporate as follows:

	Number of ordinary shares	Number of options over ordinary shares
A Pendal	39,606	17,500
W McKenzie	65,303	25,000
J Austin	-	-
R Bransby	20,000	10,000
P Wallace	-	-
D Holden	228,747	100,000

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

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

	Board		Audit and Risk Management		Credit		Remuneration	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
A Pendal	11	10	-	-	5	4	2	1
L Junk	6	5	1	0	2	2	1	1
W McKenzie	11	11	5	5	5	4	-	-
R Bransby	11	11	5	5	5	4	2	2
J Austin	5	5	3	2	-	-	1	0
P Wallace	-	-	-	-	-	-	-	-
D Holden	11	10	-	-	-	-	-	-

DIRECTOR'S REPORT (continued)

CHANGES IN THE STATE OF AFFAIRS

Except for the matters discussed elsewhere in this directors' report, in the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial period under review, not otherwise disclosed in these financial statements.

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The company intends to continue to implement its strategic objectives and plans as presented in its Investor Presentations announced on the ASX. This includes continuing to leverage distribution arrangements to generate the required level of balance sheet growth, enhance operational efficiency and seek corporate transactions needed to deliver adequate shareholder returns.

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

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

in the financial years subsequent to this financial year.

SHARE OPTIONS

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

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

RISK MANAGEMENT POLICIES

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

ENVIRONMENTAL REGULATIONS

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

DIRECTOR'S REPORT (continued)

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 is due to receive the following amounts for the provision of non-audit services:

	$
Tax compliance services	6,000
Non assurance related	3,100
	9,100

DIRECTOR'S REPORT (continued)

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2014 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 2014 (including link to performance)
5. Executive contracts
6. Non-executive director remuneration (including statutory remuneration disclosures)
7. Additional disclosures relating to options and shares
8. Loans to key management personnel and their related parties
9. Other transactions and balances with key management personnel and their related parties

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)
William McKenzie	Director (non-executive)
Leigh Junk	Director (non-executive) – resigned 15 November 2013
Robert Bransby	Director (non-executive)
James Austin	Director (non-executive) – appointed 15 November 2013
Peter Wallace	Director (non-executive) – appointed 8 August 2014
(ii) Executive directors	
David Holden	Managing Director
(iii) Other executives	
Michael Verkuylen	Company Secretary and Chief Financial Officer

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

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

DIRECTOR'S REPORT (continued)

REMUNERATION REPORT (AUDITED)

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 external advice in relation to remuneration.

Response to vote against the 2013 Remuneration Report
At Goldfields Money's 2013 Annual General Meeting, the Company received votes against its Remuneration Report representing greater than 25% of the votes cast by persons entitled to vote. In other words, the Company received a "First Strike" against its 2013 Remuneration Report.

In these circumstances, the Corporations Act 2001 requires the Company to include in this year's Remuneration Report, an explanation of the Board's proposed action in response to that First Strike or, alternatively, if the Board does not propose any action, the Board's reason for such inaction.

The Company's response to the First Strike was to arrange for senior management to meet with key institutional investors to discuss and to understand the main reasons why the Company received the vote against the 2013 Remuneration Report.

In summary, there were no real concerns raised with the Company's remuneration policy or arrangements. Some concern however was raised with the total number of directors. Throughout the period, the Company has maintained the minimum number of directors, being five, as mandated under the constitution and prudential standards.

The Company has not amended its overall remuneration policy. The Board remains confident that Goldfields Money's remuneration policy and the level and structure of its executive remuneration are suitable for the company and its shareholders.

3. Executive remuneration arrangements

3A. Remuneration principles and strategy
Goldfields Money Limited's executive remuneration strategy aims to attract and retain executives who will create shareholder value and fairly and responsibly reward them for performance.

DIRECTOR'S REPORT (continued)

REMUNERATION REPORT (AUDITED)

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

Business Objective
To create a significant banking institution and deliver sustainable, satisfactory returns to shareholders.

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, nature 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.
Long term incentive plan (LTI)(Commencing FY2015 and applicable to all executives)	• Benefits settled in cash	Rewards executives for their contribution to the creation of shareholder value over the longer term.	• Vesting on incentive is dependent on achieving key strategic objectives, including implementation of new deposit products, operational excellence and corporate transaction.

3B. Approach to setting remuneration

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

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

For financial year 2014 the MD's remuneration comprised a base salary plus a short term incentive component of up to 25% of the base salary.

DIRECTOR'S REPORT (continued)

REMUNERATION REPORT (AUDITED)

3C. Detail of incentive plans

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

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

Financial measures	Non-financial measures
Financial Year 2014	
• Profit before tax	• Governance, risk management & compliance • Leadership • Implementation of strategic objectives
Proposed for Financial Year 2015	
• Return on equity • Cost of funding	• Operational Excellence • Implementation of new deposit products and channels • Strategic Corporate Transaction

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

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

Long-term incentive (LTI)
The Company has not made long term incentive awards previously, however an executive long-term incentive plan has been established starting financial year 2015.

LTI awards will be made to executives in order to align remuneration with the creation of shareholder value over the long-term. As such, LTI awards are only made to executives and other key talent who have an impact on the Company's performance against the relevant long-term performance measure.

Structure
LTI awards to executives are made under the executive LTI plan and are delivered in the form of cash benefits. The benefits will vest over a period of three years, subject to meeting performance measures, with no opportunity to retest.

Performance measure to determine vesting
The Company uses outcomes from the Board approved strategic and business plans over a three year horizon as the performance measure for the LTI plan. These outcomes or measures include implementation of new deposits products and channels, operational excellence and execution of a strategic corporate transaction.

The LTI proposed provides KMP's with the potential to earn up to an additional 50% of annual salary package inclusive of superannuation and exclusive of STI potential. The total LTI percentage pooled each year would be equivalent to, but not more than, the percentage paid annually to the KMP for their STI.

On an annual basis, the Board agrees to the level of STI payment and this will be mirrored in the LTI payment after assessment against agreed long-term KPI's.

DIRECTOR'S REPORT (continued)

REMUNERATION REPORT (AUDITED)

Guidelines for actual payment of any earned LTI

- The LTI that is allocated each year is based on the successful implementation of strategic objectives as per the Board approved, strategic and business plans for the relevant year. 25% of Base Pay is available for the LTI.
- The value of the LTI on the due date of payment shall be calculated by assessing the performance of the KMP against a set of long terms KPIs. For exceptional performance the allocated payment will be multiplied by 200%, for acceptable performance the allocated payment will be multiplied by 75%. A straight line approach would be used for performance in between these levels.
- The LTI payment for a particular year will be paid at the completion of a three year vesting period.
- If the KMP ceases employment with GMY prior to the vesting period, any pooled payment due under this LTI arrangement will be at Board discretion.
- Any pooled payment due will automatically vest on a change of control occurrence.

The four KPI's were selected to ensure alignment between strategic objectives and reward for executives. GMY is unique in that it has no peers with a similar size and complexity. These KPI's are aligned with key outcomes targeted as part of GMY's strategic plans. The Board is confident achieving these outcomes will lead to generation of sustainable returns for shareholders in the long term.

Termination and change of control provisions
Where a participant ceases employment prior to their award vesting due to resignation or termination for cause, awards will be forfeited. Where a participant ceases employment for any other reason, they may retain a portion of the unvested benefit pro-rated to reflect participant's period of service during the LTI grant performance period. These unvested benefits only vest subject to meeting the relevant LTI performance measures.

In the event of a change of control of the Company, the performance period end date will generally be brought forward to the date of the change of control and awards will vest subject to performance over this shortened period, subject to ultimate Board discretion.

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 2014 (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)
2010	558,060	Not listed
2011	431,565	Not listed
2012	572,129	105.0
2013	171,017	100.0
2014	176,000	102.0

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.

DIRECTOR'S REPORT (continued)

REMUNERATION REPORT (AUDITED)

Remuneration of key management personnel

		Short-term benefits				Post-employment	Long-term benefits		
		Salary & fees $	Cash bonus $	Non-monetary benefits $	Other $	Super-annuation $	Long service leave	Total $	Performance related %
Executive Directors									
David Holden	**2014**	**250,000**	**20,000**	**-**	**-**	**23,125**	**-**	**293,125**	**6.82**
	2013	230,000	-	-	-	20,700	-	250,700	-
Other executives									
Michael Verkuylen	**2014**	**170,000**	**10,000**	**-**	**-**	**16,650**	**-**	**196,650**	**5.08**
	2013	150,000	-	-	-	13,500	-	163,500	-
Total	**2014**	**420,000**	**30,000**	**-**	**-**	**39,775**	**-**	**489,775**	**6.12**
	2013	380,000	-	-	-	34,200	-	414,200	-

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

5. Executive Contracts

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

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

Terms of the present contract are as follows:

- The MD receives fixed remuneration of $250,000 per annum (plus superannuation contributions of 9.5% of ordinary earnings).
- The MD's performance based STI opportunity is up to 25% of his base salary.
- The MD is eligible to participate in the executive LTI plan on terms determined by the Board.

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

Other KMP
All other KMP have rolling contracts.

Standard KMP termination provisions are as follows:

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

DIRECTOR'S REPORT (continued)

REMUNERATION REPORT (AUDITED)

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

Remuneration policy

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

The Company's constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2013 AGM held on 15 November 2013 when shareholders approved an aggregate fee pool of $200,000 per year.

The board will not seek any increase for the NED pool at the 2014 AGM.

Structure

The remuneration of NEDs consists of directors' fees. The table below summarises the NED fees excluding superannuation contributions for financial year 2014:

Type of Fee	Amount per annum
Chairman	$25,000
Deputy Chairman	$20,000
Non-executive Director	$18,000

NEDs receive superannuation contributions of 9.25% of earnings (increasing to 9.5% from 1 July 2014) 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 2014 and 30 June 2013 is detailed in 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	**2014**	**25,000**	**-**	**-**	**2,312**	**-**	**27,312**
	2013	16,000	-	-	1,440	-	17,440
Bill McKenzie	**2014**	**18,000**	**-**	**-**	**1,665**	**-**	**19,665**
	2013	10,000	-	-	900	-	10,900
Leigh Junk*	**2014**	**7,500**	**-**	**-**	**694**	**-**	**8,194**
	2013	12,000	-	-	1,080	-	13,080
James Austin^	**2014**	**11,250**	**-**	**-**	**1,041**	**-**	**12,291**
	2013	-	-	-	-	-	-
Robert Bransby	**2014**	**19,000**	**-**	**-**	**1,758**	**-**	**20,758**
	2013	10,000	-	-	900	-	10,900
Total	**2014**	**80,750**	**-**	**-**	**7,470**	**-**	**88,220**
	2013	48,000	-	-	4,320	-	52,320

* resigned 15 November 2013

^ Appointed 15 November 2013

DIRECTOR'S REPORT (continued)

REMUNERATION REPORT (AUDITED)

7. Additional disclosures relating to options and shares

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 of key management personnel

2014	Balance at the start of the year	Received on exercise of options during the year	Other movement	Balance at the end of the year
Director				
Allan Pendal	39,606	-	-	39,606
William McKenzie	55,303	-	10,000	65,303
Robert Bransby	20,000	-	-	20,000
James Austin	-	-	-	-
Peter Wallace	-	-	-	-
Executives				
David Holden	218,747	-	10,000	228,747
Michael Verkuylen	-	-	-	-

Option holdings of key management personnel

2014	Balance at start of year	Granted as remuneration	Options exercised	Net change other	Balance at end of the year	Vested (exercisable)	Non-vested (Non-exercisable)
Director							
Allan Pendal	17,500	-	-	-	17,500	17,500	-
William McKenzie	25,000	-	-	-	25,000	25,000	-
Robert Bransby	10,000	-	-	-	10,000	10,000	-
James Austin	-	-	-	-	-	-	-
Peter Wallace	-	-	-	-	-	-	-
Executives							
David Holden	100,000	-	-	-	100,000	100,000	
Michael Verkuylen	-	-	-	-	-	-	-

Loans to key management and their related parties

(i) Details of aggregate of loans to key management personnel and their related parties:

Aggregate	Balance at beginning of period	Interest charged	Interest not charged	Write-off or allowance for doubtful debt	Balance at end of period	Number of KMP in group
2014	1,673,109	90,138	-	-	1,969,704	2

(ii) Details of key management personnel and their related parties with aggregate of loans above $100,000 in the reporting period:

KMP and related party	Balance at beginning of period	Interest charged	Interest not charged	Write-off or allowance for doubtful debt	Balance at end of period	Highest amount of indebtedness during period
David Holden	1,364,867	69,808	0	0	1,345,298	1,385,873
William McKenzie*	308,242	20,330	0	0	624,406	637,264

*Loan is to a relative

(iii) Terms and conditions of loans to key management personnel and their related parties

Loans to key management personnel are made on terms equivalent to an arm's length transaction, that is terms and conditions are similar to those offered to other customers at the time a loan is funded. All loans are secured by a registered first mortgage over property.

DIRECTOR'S REPORT (continued)

REMUNERATION REPORT (AUDITED)

8. Other transactions and balances with key management personnel and their related parties

All other transactions have occurred within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those that it is reasonable to expect the Company would have adopted if dealing at arms-length with an unrelated person. Refer to Note 29 for further information.

End of Remuneration Report

Signed in accordance with a Resolution of Directors

A E PENDAL - Chairman

Dated this 22rd day of August 2014

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.

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

In March 2014 ASX Corporate Governance Council issued the third edition of its *Corporate Governance Principles and Recommendations*. These changes take effect for an entity's first full year commencing on or after 1 July 2014. In addition, the Australian Prudential Regulatory Authority issued a revised *CPS 510 Governance* effective 1 January 2015. These updated principles and standards are expected to result in new recommendations and structural changes to Goldfields Money's Corporate Governance Framework. These changes will be reflected in future Corporate Governance Statements.

CORPORATE GOVERNANCE STATEMENT (continued)

1. Solid Foundation for Management and Oversight

1.1 Functions of the Board and Management

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

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

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

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

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

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

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

To this end the Board has established the following committees:

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

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

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

CORPORATE GOVERNANCE STATEMENT (continued)

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

1.2 Performance Evaluation

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

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

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

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

2. Board Structure

2.1 Independent Directors

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge 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 interests held in the Company by Directors. Directors are appointed based on the specific governance skills required by the Company and on the quality of their decision-making and judgment.

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

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

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

The Board has assessed that all members of the Board, excluding the Managing Director and Mr James Austin are independent. The Mr Austin is not considered independent as a result of his position as an officer of a substantial shareholder. 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 the carrying out of its duties with the approval of the Chairman. The Chairman must not unreasonably withhold his consent.

2.2 The Chair should be an Independent Director.

The Chairman is an Independent Director.

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

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

CORPORATE GOVERNANCE STATEMENT (continued)

2.4 The Board should establish a nomination committee

Given the 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.

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

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

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

CORPORATE GOVERNANCE STATEMENT (continued)

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

4. Financial Reporting

4.1 Audit & Risk Management Committee ("ARMC")
The ARMC was formed by resolution of the Board.

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

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

4.3 Charter
The responsibilities of the ARMC as listed in the Audit and Risk Management Committee Charter are:
- overseeing the financial reporting process on behalf of the Board;
- overseeing the Company's relationships with its external auditor and the external audit function generally; and
- monitoring the adequacy and effectiveness of accounting and financial controls, including the Company's policies and procedures to assess, monitor and manage business risk and legal and ethical compliance programs.

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

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

A copy of the Audit and Risk Management Committee Charter is available on the Company's website at www.goldfieldsmoney.com.au.

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;

CORPORATE GOVERNANCE STATEMENT (continued)

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

A copy of the Communications Policy is available on the Company's website at www.goldfieldsmoney.com.au.

7 Risk

7.1 Policies

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

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

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

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

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

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

A copy of the Risk Management Policy is available on the Company's website at www.goldfieldsmoney.com.au.

7.2 Risk management and internal control systems and management attestation

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

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

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

CORPORATE GOVERNANCE STATEMENT (continued)

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

1. Audit and Risk Management Committee

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

2. Internal and external audit reviews

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

3. Annual review

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

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

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

7.3 Attestation by the Managing Director and the Chief Financial Officer

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

8 Remuneration Committee

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

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

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

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

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

RSM Bird Cameron Partners

RSM Bird Cameron Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 **F** +61 8 9261 9101
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Goldfields Money Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Perth, WA
Dated: 22 August 2014

J A KOMNINOS
Partner

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

	Note	2014 $	2013 $
Interest revenue	2	6,196,209	5,144,654
Interest expense	2	(3,611,524)	(2,904,457)
Net interest revenue	2	2,584,685	2,240,197
Non-interest revenue	2	393,395	446,567
Impairment gains on loans and advances	2	1,212	17,278
Other expenses	3	(2,803,292)	(2,533,025)
Profit before income tax		**176,000**	**171,017**
Income tax benefit	4	25,204	25,692
Profit for the year from continuing operations		**201,204**	**196,709**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of land and buildings	11	51,569	934
Income tax effect		(15,471)	-
		36,098	934
Total comprehensive income		**237,302**	**197,643**
Basic earnings per share	30	0.013	0.013
Diluted earnings per share	30	0.013	0.013

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	2014 $	2013 $
ASSETS			
Cash and cash equivalents	5	454,425	2,587,873
Due from other financial institutions	6	17,972,025	23,010,455
Loans and advances	7	117,338,970	83,281,109
Other financial assets	9	5,665,934	6,208,980
Other assets	10	181,482	141,859
Current tax asset	13	128,067	187,128
Property, plant and equipment	11	720,144	687,472
Intangible assets	12	285,570	297,185
Deferred tax assets	13	316,753	362,380
TOTAL ASSETS		143,063,370	116,764,441
LIABILITIES			
Deposits	14	127,689,699	101,519,721
Creditors and other payables	15	231,929	291,270
Provisions	16	192,817	186,465
Deferred tax liabilities	13	80,228	64,354
TOTAL LIABILITIES		128,194,673	102,061,810
NET ASSETS		14,868,697	14,702,631
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS			
Contributed equity			
Issued capital	17	12,955,824	12,955,824
Other contributed equity	17	1,830,600	1,830,600
Equity raising costs	18	(1,088,366)	(1,017,130)
Total contributed equity		13,698,058	13,769,294
Property, plant and equipment revaluation reserve	19	190,549	154,451
General reserve for credit losses	19	281,132	216,130
Retained earnings		698,958	562,756
		14,868,697	14,702,631

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

Attributable to equity holders	Issued Capital	Equity Raising Costs	Other contributed equity	Property, Plant and Equipment Revaluation Reserve	Retained Profits	General Reserve for Credit Losses	Total Equity
	$	$	$	$	$	$	$
As at 1 July 2012	**12,955,824**	**(945,036)**	**1,830,600**	**153,517**	**442,184**	**139,993**	**14,577,082**
Profit for the year	-	-	-	-	196,709	-	196,709
Other comprehensive income	-	-	-	934	-	-	934
Total comprehensive income	-	-	-	934	196,709	-	197,643
Equity raising costs – unwind of deferred tax	-	(72,094)	-	-	-	-	(72,094)
Transfer from/to retained earnings/general reserve for credit losses	-	-	-	-	(76,137)	76,137	-
As at 30 June 2013	**12,955,824**	**(1,017,130)**	**1,830,600**	**154,451**	**562,756**	**216,130**	**14,702,631**
As at 1 July 2013	**12,955,824**	**(1,017,130)**	**1,830,600**	**154,451**	**562,756**	**216,130**	**14,702,631**
Profit for the year	-	-	-	-	201,204	-	201,204
Other comprehensive income	-	-	-	36,098	-	-	36,098
Total comprehensive income	-	-	-	36,098	201,204	-	237,302
Equity raising costs – unwind of deferred tax	-	(71,236)	-	-	-	-	(71,236)
Transfer from/to retained earnings/general reserve for credit losses	-	-	-	-	(65,002)	65,002	-
As at 30 June 2014	**12,955,824**	**(1,088,366)**	**1,830,600**	**190,549**	**698,958**	**281,132**	**14,868,697**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		6,188,120	5,043,786
Fees and commissions received		352,605	406,575
Dividends received		26,026	25,789
Other income		14,764	10,826
Interest and other costs of finance costs paid		(3,608,270)	(2,565,161)
Payments to suppliers and employees		(2,826,247)	(2,415,402)
Income tax (paid)/refunded		59,061	(87,456)
Net cash provided by operating activities	26(c)	206,059	418,957
CASH FLOWS FROM INVESTING ACTIVITIES			
Net increase in loans, advances and other receivables		(34,056,650)	(34,201,036)
Net receipts/(payments) for investments		5,594,530	(7,545,460)
Payments for property, plant and equipment		(19,764)	(87,920)
Payments for intangible assets		(24,348)	(163,960)
Net cash (used in) investing activities		(28,506,232)	(41,998,376)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in deposits and other borrowings		26,166,725	40,366,976
Net cash provided by financing activities		26,166,725	40,366,976
Net decrease in cash held		(2,133,448)	(1,212,443)
Cash and cash equivalents at beginning of the financial year		2,587,873	3,800,316
Cash and cash equivalents at the end of the financial year	26(a)	454,425	2,587,873

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL REPORT

CORPORATE INFORMATION

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

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

The financial statements for the year ended 30 June 2014 were authorised for issue in accordance with a resolution of the directors on 22 August 2014.

1. SUMMARY OF ACCOUNTING POLICIES

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

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

The report is presented in Australian dollars.

Except as disclosed below, the accounting policies adopted are consistent with those disclosed in the Annual Financial Report for the year ended 30 June 2014. Certain comparative information has been reclassified to be presented on a consistent basis with the current year's presentation.

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

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

Changes in accounting policy and disclosures
The accounting policies adopted are consistent with those of the previous financial year except for all new and amended Australian Accounting Standards and Interpretations the company has adopted effective from 1 July 2013 including:

- AASB 13 Fair Value Measurement
- AASB 101 Presentation of Items of Other Comprehensive Income – Amendments to AASB 101
- AASB 19 Employee Benefits (Revised 2011)

Other new and amended standards and interpretation that become effective 1 July 2013 are not applicable. New and amended Standards and Interpretations did not result in any significant changes to the company's accounting policies.

NOTES TO THE FINANCIAL REPORT

Significant accounting policies (continued)

The adoption of the standards or interpretations is described below:

AASB 13 Fair Value Measurement:

AASB 13 establishes a single source of guidance under Australian Accounting Standards for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards. AASB 13 defines fair value as an exit price. AASB 13 also requires additional disclosures.

Application of AASB 13 has not materially impacted the fair value measurements of the Company.
Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

AASB 101 Presentation of Items of Other Comprehensive Income – Amendments to AASB 101:

The amendments to AASB 101 introduce a grouping of items presented in OCI. Items that will be reclassified (‘recycled’) to profit or loss at a future point in time (e.g., net loss or gain on AFS financial assets) have to be presented separately from items that will not be reclassified (e.g., revaluation of land and buildings). The amendments affect presentation only and have no impact on the Company’s financial position or performance.

AASB 19 Employee Benefits (Revised 2011):

The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. The amendments have not had a material impact on the Company’s financial position or performance.

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

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

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

Property
Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

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.

NOTES TO THE FINANCIAL REPORT

Significant accounting policies (continued)

Increases in the carrying amount arising on revaluation of land and buildings are recorded in other comprehensive income and 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 profit and loss. 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%	Straight-line
Office plant and equipment	15-33%	Straight-line
Motor vehicles	22.5%	Straight-line
Computer equipment and programs	20-33%	Straight-line

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.

NOTES TO THE FINANCIAL REPORT

Significant accounting policies (continued)

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

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

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

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

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

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

(c) Employee benefits

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

(d) Cash and cash equivalents

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

Cash flows on net basis

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

NOTES TO THE FINANCIAL REPORT

Significant accounting policies (continued)

(e) Loans and advances

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

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

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

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

(f) Impairment of financial assets

Specific provision

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

Collective provision

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

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

General reserve for credit losses

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

(g) Impairment of property, plant and equipment

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

NOTES TO THE FINANCIAL REPORT

Significant accounting policies (continued)

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

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

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

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

(l) Recognition of revenue
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The principal sources of revenue are interest income, fees and commissions.

Interest income
For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in the statement of comprehensive income.

Dividends
Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income
Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature.

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

NOTES TO THE FINANCIAL REPORT

Significant accounting policies (continued)

(m) 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(e) for further details.

Held to maturity investments

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

Available for sale assets

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

Refer to Note 9 regarding the fair value of available for sale assets.

Other financial liabilities

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

(n) Goods and services tax (GST)

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

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

(o) Intangibles

Computer software

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

(p) Contingent liabilities and commitments

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

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

NOTES TO THE FINANCIAL REPORT

Significant accounting policies (continued)

(q) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(r) Earnings per share

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

(s) Fair value measurement

The Company measures most financial instruments at amortised cost, however disclosure of fair value is made throughout these financial statements. Land and buildings are also revalued from time to time as described in Note 11.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

NOTES TO THE FINANCIAL REPORT

Significant accounting policies (continued)

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings. Involvement of external valuers is decided upon annually by the valuation committee after discussion with and approval by the Company's Audit & Risk Management Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

(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 company.

Impairment losses on Loans and Advances

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

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

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

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

NOTES TO THE FINANCIAL REPORT

Significant accounting policies (continued)

Revaluation of property, plant and equipment
The Company measures land and buildings at revalued amounts with changes in fair value being recognised in OCI. The Company engaged an independent valuation specialist to assess fair value as at 31 May 2014 for revalued land and buildings. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.
The key assumptions used to determine the fair value of the investment properties and sensitivity analyses are provided in Note 11.

Fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
Changes in assumptions about these factors could affect the reported fair value of financial instruments.
See Note 27 for further disclosures.

(v) New Accounting Standards for Application in Future Periods
A number of Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ended 30 June 2014. The effect of these new or amended Accounting Standards is expected to give rise to additional disclosures and new policies being adopted. The new standard is not expected to significantly affect the company's accounting policies, financial position or performance. Refer below for the Standards and Interpretations relevant to Goldfields Money that are not yet effective and have not been early adopted.

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 2012-3	Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2015
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	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard	Application date for Company
		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. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10. The AASB issued a revised version of AASB 9 (AASB 2013-9) during December 2013. The revised standard incorporates three primary changes: • New hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures • Entities may elect to apply only the accounting for gains and losses from own credit risk without applying the other requirements of AASB 9 at the same time • In February 2014, the IASB tentatively decided that the mandatory effective date for AASB 9 will be 1 January 2018		
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	1 July 2014
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]	AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.	1 January 2014	1 July 2014
Annual Improvements 2010–2012 Cycle	Annual Improvements to IFRSs 2010–2012 Cycle	This standard sets out amendments to International Financial Reporting Standards (IFRSs) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB. The following items are addressed by this standard: • IFRS 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.	1 July 2014	1 July 2014

Reference	Title	Summary	Application date of standard	Application date for Company
		• IFRS 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to IAS 37. • IFRS 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's assets. • IAS 16 & IAS 38 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. • IAS 24 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of IAS 24 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.		
Annual Improvements 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle	This standard sets out amendments to International Financial Reporting Standards (IFRSs) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB. The following items are addressed by this standard: • IFRS 13 - Clarifies that the portfolio exception in paragraph 52 of IFRS 13 applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32. • IAS 40 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of IFRS 3 that includes an investment property. That judgment is based on guidance in IFRS 3.	1 July 2014	1 July 2014
AASB 1031	Materiality	The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.	1 January 2014	1 July2014

2. STATEMENT OF COMPREHENSIVE INCOME

(a) Net interest income

	Average balance $	Interest $	Average rate %
2014			
Cash at bank and other liquid assets	25,949,751	897,024	3.46
Loans and advances	100,546,716	5,299,185	5.27
	126,496,467	6,196,209	4.90
Deposits	113,009,266	3,611,524	3.20
	113,009,266	3,611,524	3.20
Net interest income		2,584,685	1.70
2013			
Cash at bank and other liquid assets	33,460,410	1,311,990	3.92
Loans and advances	64,112,378	3,832,664	5.98
	97,572,788	5,144,654	5.27
Deposits	84,114,734	2,904,457	3.45
	84,114,734	2,904,457	3.45
Net interest income		2,240,197	1.82

(b) Non-interest revenue

	2014 $	2013 $
Other operating income		
Lending fees	50,988	77,405
Commissions and other fees	301,617	329,170
Dividends received	26,026	25,789
Insurance income	-	372
Bad debts recovered	670	4,860
Gain on disposal of property, plant and equipment	-	3,378
Other	14,094	5,593
	393,395	446,567

(c) Impairment losses on loans and advances

Impairment reversal	(1,212)	(17,278)

3. PROFIT BEFORE INCOME TAX

	2014 $	2013 $
Profit before income tax has been determined after:		
Interest expense	3,611,524	2,904,457
Other expenses		
Staff related costs		
Salaries and wages	1,138,432	989,149
Superannuation	104,020	83,329
Other	48,075	17,539
Depreciation	38,661	33,594
Amortisation	35,962	36,363
Administrative expenses		
Advertising and promotions	86,722	118,881
Directors' fees	88,219	52,320
Computer system and software costs	160,976	144,613
Communication and website costs	161,604	128,463
Insurance costs	117,111	95,723
Accounting, audit and consulting costs	209,920	185,631
Products and services delivery costs	253,841	291,204
Occupancy costs	156,652	131,201
ASX and registry fees	39,400	49,541
General administrative costs	163,697	175,474
Total other expenses	2,803,292	2,533,025

4. INCOME TAX

		2014 $	2013 $
(a)	The components of tax (benefit)/expense comprise		
	Current tax	-	(48,417)
	Deferred tax	(25,204)	21,538
	Adjustment of current tax in prior years	-	1,187
		(25,204)	(25,692)
	The prima facie income tax payable on the operating profit is reconciled as follows:		
(b)	Profit before tax	176,000	171,017
	Prima facie income tax expense on profit before income tax at 30%	52,800	51,305
	Adjustment of current tax in prior years	-	1,187
	Tax effect of:		
	Equity raising costs	(71,236)	(71,236)
	Other non-allowable items	(6,768)	(6,948)
		(25,204)	(25,692)

5. CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Cash on hand	333,671	265,601
Cash at bank	120,754	2,322,272
	454,425	2,587,873

	2014 $	2013 $
6. DUE FROM OTHER FINANCIAL INSTITUTIONS		
Deposits with Authorised Deposit-taking Institutions	17,972,025	23,010,455
Maturity analysis		
- Not longer than 3 months	16,487,138	22,003,216
- Longer than 3 and not longer than 12 months	1,484,887	1,007,239
	17,972,025	23,010,455

7. LOANS AND ADVANCES

	2014 $	2013 $
Overdrafts	973,924	805,885
Term loans	116,366,827	82,479,146
	117,340,751	83,285,031
Provision for impairment	(1,781)	(3,922)
	117,338,970	83,281,109
Maturity analysis – gross loans and advances		
- Overdrafts	973,924	805,885
- Not longer than 3 months	2,296	9,149
- Longer than 3 and not longer than 12 months	595,359	1,313,123
- Longer than 1 and not longer than 5 years	20,830,667	9,363,295
- Longer than 5 years	94,938,505	71,793,579
	117,340,751	83,285,031

8. PROVISION FOR IMPAIRED LOANS

The policy relating to the recognition of impaired assets is set out in Note 1(f).

		2014 $	2013 $
(a)	Total provision comprises		
	Specific provisions	1,781	3,922
	Collective provisions	-	-
		1,781	3,922
(b)	Specific provision for impairment		
	Opening balance	3,922	33,516
	Bad and doubtful debts provided for during the year	-	-
	Unused amounts reversed	(1,212)	(17,278)
	Bad debts written off during the year	(929)	(12,316)
	Closing balance	1,781	3,922
(c)	Collective provision for impairment		
	Opening balance	-	-
	Bad and doubtful debts provided for during the year	-	-
	Unused amounts reversed	-	-
	Bad debts written off during the year	-	-
	Closing balance	-	-

8. PROVISION FOR IMPAIRED LOANS (continued)

	2014 $	2013 $
(d) Net charge/(credit) to statement of comprehensive income for bad and doubtful debts comprises of:		
Specific & collective provision	(1,212)	(17,728)
Bad debts recovered	(670)	(4,860)
	(1,882)	(22,588)
(e) Grading of credit risk loans		
Non accrual loans	741,649	361,357
Provision for impairment	(1,781)	(3,922)
	739,868	357,435
Restructured loans	-	53,536
Provision for impairment	-	-
	-	53,536

9. OTHER FINANCIAL ASSETS

	2014 $	2013 $
Shares in unlisted corporations (a)	141,969	141,969
Investment securities (b)	5,523,965	6,067,011
	5,665,934	6,208,980
Maturity analysis – investment securities		
- Not longer than 3 months		-
- Longer than 3 and not longer than 12 months	1,000,362	1,007,930
- Longer than 1 and not longer than 5 years	2,014,104	5,059,081
- Longer than 5 years	2,509,499	-
	5,523,965	6,067,011

(a) The shareholding in CUSCAL Ltd (“CUSCAL”) is classified as available for sale and is measured at cost as its fair value could not be measured reliably. These shares are held to enable the Company to receive essential banking services - refer to note 22. The shares are not able to be traded and are not redeemable in an open market. They can be sold back to CUSCAL during certain periods at cost. 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. The Company is not intending to dispose of these shares.

(b) Investment securities are investments in debt securities including floating rate notes issued by other Authorised Deposit Taking Institutions. These investments are accounted for using the amortised cost method. Refer to Note 1(m).

10. OTHER ASSETS

	2014 $	2013 $
Prepayments	147,306	110,381
Other debtors	34,176	31,478
	181,482	141,859

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

11. PROPERTY, PLANT AND EQUIPMENT

	2014 $	2013 $
Freehold land & buildings – independent valuation		
Cost or valuation	635,000	635,000
Accumulated depreciation	(5,000)	(48,838)
	630,000	586,162
Office plant and equipment		
Cost	208,163	221,119
Accumulated depreciation	(158,257)	(161,761)
	49,906	59,358
Motor vehicles		
Cost	40,971	40,971
Accumulated depreciation	(18,412)	(9,193)
	22,559	31,778
Computer equipment		
Cost	178,600	213,130
Accumulated depreciation	(160,921)	(202,956)
	17,679	10,174
Total property, plant and equipment	720,144	687,472

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

	Freehold Land & Buildings $	Office plant & equipment $	Motor vehicle $	Computer equipment $	Total $
2014					
Balance at beginning of year	**586,162**	**59,358**	**31,778**	**10,174**	**687,472**
Additions	-	5,541	-	14,223	19,764
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluations	51,569	-	-	-	51,569
Depreciation	(7,731)	(14,993)	(9,219)	(6,718)	(38,661)
Balance at end of year	**630,000**	**49,906**	**22,559**	**17,679**	**720,144**

	Freehold Land & Buildings $	Office plant & equipment $	Motor vehicle $	Computer equipment $	Total $
2013					
Balance at beginning of year	**593,892**	**8,571**	**12,611**	**14,695**	**629,769**
Additions	-	59,745	40,971	2,924	103,640
Disposals	-	-	(12,611)	-	(12,611)
Transfers	-	-	-	-	-
Depreciation	(7,730)	(8,958)	(9,193)	(7,445)	(33,326)
Balance at end of year	**586,162**	**59,358**	**31,778**	**10,174**	**687,472**

The Company's land and buildings were valued in June 2014 by an independent licensed valuer. Fair value was determined on the basis of capitalising a fair net rental and comparable sales method (Fair Value Hierarchy 3). There were limited recent market sales of a similar style and aged style of improvements; however comparable sales were used to confirm the valuation determined by calculating a fair net rental.

Significant unobservable valuation inputs:
Fair net rental $66,000
Capitalisation Rate: 10.5%

11. PROPERTY, PLANT AND EQUIPMENT (continued)

A significant increase (decreases) in estimated fair net rental in isolation would result in a significantly higher (lower) value. A significant increase (decreases) in estimated capitalisation rate in isolation would result in a significantly lower (higher) value. The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in shareholders' equity.

12. INTANGIBLE ASSETS

	2014 $	2013 $
Computer software		
Cost	457,836	433,489
Accumulated amortisation	(172,266)	(136,304)
	285,570	297,185
Movements		
Balance at beginning of the year	297,185	169,587
Additions	24,347	163,991
Disposals	-	-
Amortisation	(35,962)	(36,393)
Balance at end of the year	285,570	297,185

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

13. CURRENT & DEFERRED TAX

(a) Assets

	2014 $	2013 $
Deferred tax assets comprise:		
Provision for doubtful debts	535	1,177
Accrued expenses	18,725	14,243
Provisions	57,845	55,940
Demutualisation and equity raising costs	172,246	279,967
Carry forward losses and franking credits	67,402	11,053
	316,753	362,380
Movements		
Balance at beginning of the year	362,380	454,847
Credited to profit or loss	25,609	(19,515)
Credited directly to equity	(71,236)	(72,952)
Balance at the end of the year	316,753	362,380

(b) Liabilities

	2014 $	2013 $
Current tax asset/(liability)	128,067	187,128
Deferred tax liabilities comprise:		
Property, plant and equipment	2,298	62,504
Other	77,930	1,850
	80,228	64,354
Movements		
Balance at beginning of the year	64,354	63,771
Credited to equity	15,471	(934)
Credited directly to profit or loss	403	1,517
Balance at the end of the year	80,228	64,354

14. DEPOSITS

	2014 $	2013 $
Call deposits	23,467,000	23,955,264
Term deposits	104,222,699	77,654,457
	127,689,699	101,519,721
Maturity analysis		
- On call	23,467,000	23,955,264
- Not longer than 3 months	56,932,901	44,178,351
- Longer than 3 months and not longer than 12 months	44,752,471	33,386,106
- Longer than 1 and not longer than 5 years	2,537,327	-
	127,689,699	101,519,721

There is no deposit exposure to any individual or group of customers which represents 10% or more of the Company's total liabilities.

15. CREDITORS AND OTHER PAYABLES

Payables and accrued expenses	231,929	291,270
	231,929	291,270

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

Employee entitlements		
Current	188,322	146,828
Non-current	4,495	39,637
	192,817	186,465

17. MEMBER SHARES AND ISSUED CAPITAL

a) Issued capital

	2014 $	2013 $
15,666,829 fully paid ordinary shares (2013: 15,666,829 fully paid ordinary shares)	12,955,824	12,955,824

Movements in ordinary shares on issue:	Number of shares	2014 $	Number of shares	2013 $
Beginning of the financial year	15,666,829	12,955,824	15,666,829	12,955,824
End of financial year	15,666,829	12,955,824	15,666,829	12,955,824

Terms and conditions of ordinary shares
The Company does not have authorised capital nor par value in respect of its issued capital.

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

17. MEMBER SHARES AND ISSUED CAPITAL (continued)	2014 $	2013 $
b) Other contributed equity		
Balance at the beginning of the period	1,830,600	1,830,600
Value of options issued under Prospectus	-	-
Balance at the end of the period	1,830,600	1,830,600

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

The options are unlisted, have an exercise price of $1.50 and an expiry date of 11 May 2019. The options allow the holder to one ordinary share upon exercise. There were no options exercised in the years ended 30 June 2014 or 2013.

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

18. EQUITY RAISING COSTS

	2014 $	2013 $
Balance at the beginning of the year	1,017,130	945,036
Deferred tax recognised directly in equity	71,236	72,094
Balance at the end of the year	1,088,366	1,017,130

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

19. RESERVES

(a) Property, Plant and Equipment Revaluation Reserve

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

(b) General Reserve for Credit Losses

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

20. AUDITOR'S REMUNERATION

	2014 $	2013 $
The auditor of Goldfields Money Limited is RSM Bird Cameron Partners		
Amounts received or due and receivable by RSM Bird Cameron Partners for:		
- Audit services	82,600	79,925
- Tax compliance	6,000	5,445
- Non-audit services	3,100	6,875
	91,700	92,945

21. STANDBY BORROWING FACILITIES

The Company has an overdraft facility of $1,200,000 (2013: $1,200,000) with CUSCAL Ltd which is secured by a floating charge over its assets. As at 30 June 2014, the entire facility was unused.

22. SERVICE CONTRACTS

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

(a) CUSCAL Ltd
CUSCAL provides central banking services, chequing services, card services, settlement services, and maintains the applications software used by the Company. This company operates the switching facilities used to link Redicards operated through rediATMs, and other approved electronic funds transfer suppliers, to the Company's core banking system.

(b) The System Works Group (TSWG)
This company, an Integrated Data Processing Centre, provided and maintained the computer mainframe hardware utilised by the Company to host the Company's Core Banking System and Internet Banking application.

23. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

24. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital expenditure commitments

There were no capital expenditure commitments at the reporting date.

(b) Outstanding loan commitments

	2014 $	2013 $
Loans approved but not advanced	5,178,707	3,517,703
Loan funds available for redraw	3,846,377	3,353,612
	5,565,084	6,871,315

(c) Outstanding overdraft commitments

	2014 $	2013 $
Overdraft facilities approved but not disbursed	585,568	657,121

(d) Lease commitments

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

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2014 are as follows:

	2014 $	2013 $
Due not later than one year	86,882	84,022
Due later than one year and not later than five years	28,794	112,049
	115,676	196,071

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

25. SEGMENT INFORMATION

For management purposes, the Company is organised into one main business segment, which is the provision of financial products and services predominately in Western Australia. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole. The company operated in one geographical segment being Australia. The Company does not have any major customers which comprise more than 10% of revenue.

26. NOTES TO THE STATEMENT OF CASH FLOWS

	2014 $	2013 $
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand and at bank (Note 5)	454,425	2,587,873

(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

	2014 $	2013 $
Operating profit after income tax	201,204	196,709
Non-cash items		
Amortisation	35,962	36,363
Depreciation	38,661	33,594
Gain on disposal of PPE	-	(3,378)
Notional interest	13,899	16,285
Impairment of receivables	(1,212)	(17,278)
Revaluation of land and buildings	(51,569)	-
Movement in assets and liabilities		
Other assets	(39,622)	(35,525)
Accrued interest receivable	(26,953)	(117,153)
Deferred tax assets	(25,608)	20,373
Current tax payable	59,061	(135,037)
Payables	(59,341)	36,288
Accrued interest payable	3,254	339,296
Deferred tax liabilities	51,972	1,517
Provisions	6,351	46,903
	206,059	418,957

27. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is determined on the basis of the present value of expected future cash flows under the terms and conditions of each financial asset or 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 or liability, relative to market rates and conditions at the time. No assets held are regularly traded by the Company. With the exception of financial assets due from other financial institutions and investment securities there is no active market to assess the value of the financial assets and liabilities. Amounts due from other financial institutions and investment securities can be traded in a secondary market.

	Aggregate net fair value		Amount per the statement of financial position	
	2014	2013	2014	2013
	$	$	$	$
FINANCIAL ASSETS				
Cash	454,425	2,587,873	454,425	2,587,873
Due from other financial institutions	17,972,025	23,010,455	17,972,025	23,010,455
Loans and advances	117,226,579	83,278,156	117,338,970	83,281,109
Investment securities	5,552,661	6,111,503	5,523,965	6,067,011
Other financial assets	141,969	141,969	141,969	141,969
Total financial assets	141,347,659	115,129,956	141,431,354	115,088,417
FINANCIAL LIABILITIES				
Deposits	127,689,699	101,519,721	127,689,699	101,519,721
Creditors and other payables	231,929	291,270	231,929	291,270
Total financial liabilities	127,921,628	101,810,991	127,921,628	101,810,991

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

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

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

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

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

Other financial assets
Refer to Note 10.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk management framework

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

During the year the Company appointed a dedicated Risk & Compliance Manager to oversee the risk and compliance functions. The role is independent from other functions of the business

Risk management roles and responsibilities

Board of Directors

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

Audit and Risk Management Committee

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

Managing Director & Executive Management

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

Risk & Compliance Manager

The Risk & Compliance Manager is responsible for managing the risk management function. This includes assisting the Board, board committees and senior management to develop and maintain the risk management framework. The position has reporting lines to the Board, board committees and senior management to conduct risk management activities in an effective and independent manner.

Internal Audit

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

Risk Measurement and Reporting Systems

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

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

Risk Mitigation

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk

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

(i) Interest rate risk

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

(ii) Interest rate risk in the banking book

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

2014	Weighted Average Effective Interest Rate %	Floating Interest Rate	Fixed interest rate		Non-interest bearing	Amount per statement of financial position
			1 year or less	1 to 5 years		
FINANCIAL ASSETS						
Cash and liquid assets	0.50	120,754	-	-	333,671	**454,425**
Due from other financial institutions	3.22	-	17,972,025	-	-	**17,972,025**
Loans and advances	5.13	99,801,405	2,977,514	14,560,051	-	**117,338,970**
Investment Securities	3.92	5,523,965	-	-	-	**5,523,965**
Other investments	-	-	-	-	141,969	**141,969**
Total financial assets		**105,446,124**	**20,949,539**	**14,560,051**	**475,640**	**141,431,354**
FINANCIAL LIABILITIES						
Deposits	3.25	23,467,000	101,685,372	2,537,327	-	127,689,699
Creditors and other payables	-	-	-	-	231,929	231,929
Total financial liabilities		23,467,000	101,685,372	2,537,327	231,929	**127,921,628**
Net financial assets/(liabilities)		**81,979,124**	**(80,735,833)**	**12,022,724**	**243,711**	**13,509,726**

2013	Weighted Average Effective Interest Rate %	Floating Interest Rate	Fixed interest rate		Non-interest bearing	Amount per statement of financial position
			1 year or less	1 to 5 years		
FINANCIAL ASSETS						
Cash and liquid assets	0.50	2,322,272	-	-	265,601	**2,587,873**
Due from other financial institutions	3.83	7,951,900	15,058,555	-	-	**23,010,455**
Loans and advances	5.70	78,122,979	-	5,158,130	-	**83,281,109**
Investment Securities	4.72	6,067,011	-	-	-	**6,067,011**
Other investments	-	-	-	-	141,969	**141,969**
Total financial assets		**94,464,162**	**15,058,555**	**5,158,130**	**407,570**	**115,088,417**
FINANCIAL LIABILITIES						
Deposits	3.41	23,955,264	77,564,457	-	-	**101,519,721**
Creditors and other payables	-	-	-	-	291,270	**291,270**
Total financial liabilities		**23,955,264**	**77,564,457**	**-**	**291,270**	**101,810,991**
Net financial assets/(liabilities)		**70,508,898**	**(62,505,902)**	**5,158,130**	**116,300**	**13,277,426**

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The major classes of financial assets and liabilities that are subject to interest rate variation are loans and advances, cash with banks, investments and deposits. The fundamental principles that the Company applies to mitigate interest rate risk are:

- Board approved risk appetite and limits include Value at Risk, Book Sensitivity and Earnings at Risk;
- 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.

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 +/- 25 basis points (2013: +/- 50 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)**	
	2014	**2013**	**2014**	**2013**
25 basis points increase (2013:50bps)	34,750	121,000	34,750	121,000
25 basis points decrease (2013: 50bps)	(34,750)	(121,000)	(34,750)	(121,000)

(iii) Price risk - Equity investments
The Company is not exposed to price risk on the value of shares. The available for sale investments are not traded on the market.

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

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

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

The main types of collateral obtained are as follows:

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

Management monitors the market value of collateral.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The terms and conditions of collateral are specific to individual loan and security types. It is the company's policy to dispose of repossessed collateral in an orderly fashion and the proceeds used to repay or reduce the outstanding claim. During the year ended 30 June 2014, the Company did not take possession of any property.

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

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

	2014 $	2013 $
Exposure to credit risk – loans and advances		
Past due but not impaired		
Up to 30 days	186,853	488,675
90 days & less than 182 days	3,802	-
	190,655	488,675
Impaired - mortgage loans		
Up to 90 days	-	-
90 days & less than 182 days	-	-
	-	-
Impaired – personal loans		
30 days & less than 60 days	-	4,859
60 days & less than 90 days	-	-
90 days & less than 182 days	-	-
182 days & less than 273 days	-	-
	-	4,859
Overdrawn/over-limit		
Less than 14 days	9,758	7,360
14 days & less than 90 days	3,265	1,323
90 days & less than 182 days	510	2,061
182 days & over	92	1,847
	10,625	12,591
Total past due and impaired		
Collective provision	-	-
Specific provision	(1,781)	(3,922)
Total provision	(1,781)	(3,922)
Neither past due nor impaired	117,139,472	82,778,906
	117,338,970	83,281,109

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.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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.

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

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

	2014 $	2013 $
Overdrafts	973,924	805,885
Residential loans	108,669,832	76,176,596
Commercial loans	5,726,547	4,441,657
Personal loans	1,970,448	1,860,893
Total loans gross	117,340,751	83,285,031

As at 30 June 2014 there are 2 loans (2013:2) which individually have facilities which represent 10% or more of the regulatory capital base. The total of these facilities which represent loans plus undrawn credit facilities amount to $3,118,253 (2013: $3,149,220).

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

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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.
- Regularly reporting current and emerging liquidity management trends to the Board and highlighting risk areas and relevant market conditions/expectations.

The Company's policy is to apply a minimum level of 12.5% (2013: 12%) of funds as liquid assets to maintain adequate funds for meeting customer withdrawal requests. The ratio is checked daily. In the present economic environment, in order to minimise the risk of the liquidity ratio falling below 12.5% (2013: 12.0%), the Board has determined a target liquidity trading range of 14% - 18%. In the event that liquidity ratio falls below 13% or is considered to be at risk of falling below that level, specific remedial measures are required to be taken by the Board and management.

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

Deposits are the liability class that presents the major source of risk to the Company's liquidity management. Concentrations within this class of financial liability are measured in terms of exposures to individual depositors and groups of associated depositors. As at 30 June 2014 there were no deposits greater than 10% of total liabilities (2013: nil).

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

	2014 $	2013 $
High quality liquid assets	19,434,006	20,026,576
Liability base	137,596,279	110,017,224
Liquidity ratio	14.14%	18.20%

Operational risk

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

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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

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

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

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

The Company has documented its strategy to manage capital in its internal capital adequacy assessment process which includes the capital management plan.
The Standards include APS 110 Capital Adequacy which:

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

Three Pillars – There are three pillars to the Basel III capital framework.
<u>Pillar 1</u> – involves specific capital charges for credit risk, operational risk, and the risk of financial market trading activities.
<u>Pillar 2</u> – involves the Company making an assessment of any additional capital necessary to cover other risks not included in Pillar 1.
<u>Pillar 3</u> – involves increased reporting by the Company to APRA.

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

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

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

The Company's policy is to apply a minimum target of 20% capital which will be lowered to 18% from July 2014 (2013:20%).

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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

	2014 $	2013 $
Tier 1 Capital	13,594,571	13,654,438
Tier 2 Capital	281,132	216,130
Total Regulatory capital	13,875,703	13,870,567
Risk weighted assets	65,335,595	49,359,583
Capital ratio	21.5%	28.1%

Disclosures required under Prudential Standard APS 330 Public Disclosure can be located on our website at: http://www.goldfieldsmoney.com.au/about_us/regulatory_disclosures.

29. RELATED PARTY DISCLOSURES

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

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

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

Directors
Allan Edward Pendal
Leigh Junk (Resigned 15 November 2013)
James Austin
William Thomas McKenzie
Robert Bransby

Executives
David Holden
Michael Verkuylen

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

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

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

	2014 $	2013 $
Short term employee benefits	530,750	428,000
Post-employment benefits	47,245	38,520
Other long-term benefits	-	-
Termination benefits	-	-
	577,995	466,520

29. RELATED PARTY DISCLOSURES (continued)

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.

(c) Loans to Key Management Personnel (KMP)	**2014** **$**	**2013** **$**
(i) The aggregate value of loans to KMP and their related parties as at the reporting date amounted to:	1,969,704	1,364,867
(ii) The total value of credit facilities to KMP and their related parties, as at the reporting date amounted to:	2,217,000	1,520,000
Less amounts drawn down and included in (i)	(1,969,704)	(1,364,867)
Net balance available	247,296	155,133
(iii) During the year the aggregate value of loans disbursed to KMP and their related parties amounted to:	366,210	1,392,636
(iv) During the year the aggregate value of repayments received amounted to:	157,512	80,002
(v) Interest and other revenue earned on loans and credit facilities to KMP and their related parties	20,323	51,922

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

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

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

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

Total value term and savings deposits from KMP at reporting date	271,935	126,607
Total interest paid on deposits to KMP	2,969	54,458

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

(e) Transactions with other related parties

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

29. RELATED PARTY DISCLOSURES (continued)

(f) Firstmac deposit distributions

During the period Goldfields Money entered into commercial agreements with FirstMac Limited and its subsidiaries ("FirstMac") to facilitate the offering of deposit products by FirstMac and issued by Goldfields Money Limited.

FirstMac is considered a related party by virtue of Mr James Austin's position as an officer of that Company and his election by the shareholders as a Non-Executive Director of Goldfields Money Limited 2013 at the Annual General Meeting.

Deposit products offered by FirstMac and issued by Goldfields Money are not held by FirstMac, they are held by third party customers and interest payments are owed to the customers.

As part of the arrangements described above, FirstMac is entitled to receive a commission calculated as a percentage of the face value of the deposit. The terms of the commission are equivalent to those that prevail in arm's length transactions. As at 30 June 2014 no amounts were paid or payable to FirstMac.

There were no other significant related party transactions during the period.

30. EARNINGS PER SHARE

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

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

	2014	**2013**
	$	**$**
Net profit attributable to ordinary share holders	201,204	196,709
Weighted average number of ordinary shares for basic earnings per share	15,666,829	15,666,829
Effect of dilution:		
Share options	-	-
Weighted average number of ordinary shares adjusted for dilution	15,666,829	15,666,829

*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, 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) (2013: 4,500,000) are considered to be potential ordinary shares and have not been included in the determination of diluted earnings per share as they are anti-dilutive for the periods presented. Details relating to the options are set out in Note 17.

31. DIVIDENDS PAID OR PROPOSED AND FRANKING ACCOUNT

No dividend was paid or declared by the Company in the period and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend, for the financial period ended 30 June 2014 (2013: nil).

Franking credit balance:
The amount of franking credits available for the subsequent financial years are:

	2014 $	2013 $
Franking account balance as at the end of the financial year at 30% (2013: 30%)	2,721,434	2,622,926
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	(59,061)	87,456
Franking credits that arise from the receipt of franked dividends	11,154	11,053
Franking credits available for subsequent reporting periods based on tax rate of 30% (2013: 30%)	2,673,528	2,721,435

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 2014 are in accordance with the Corporations Act 2001, including:
      i. Giving a true and fair view of its financial position as at 30 June 2014 and performance for the financial year ended on that date;
      ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

   b. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

   c. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

On behalf of the board

Allan Pendal

Director

22 August 2014

RSM Bird Cameron Partners

RSM Bird Cameron Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 **F** +61 8 9261 9101
www.rsmi.com.au

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 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's Responsibility

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

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

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

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 2014 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report contained in the directors' report for the year ended 30 June 2014. 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 2014 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Perth, WA
Dated: 22 August 2014

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 15 August 2014.

(a) Distribution of equity securities

Spread of holdings		Number of holders	Number of units	Percentage of total issued capital
1 -	1,000	18	9,623	0.06
1,001 -	5,000	1,867	4,448,831	28.40
5,001 -	10,000	53	398,735	2.55
10,001 -	100,000	66	2,135,388	13.63
100,001+		17	8,674,252	55.37
TOTAL		**2,021**	**15,666,829**	**100 %**

(b) Twenty largest holders of quoted equity securities

Rank	Shareholder	Number of units	Percentage of issued capital
1	TRIO C PTY LTD	2,350,024	15.00
2	JH NOMINEES AUSTRALIA PTY LTD <HARRY FAMILY SUPER FUND A/C>	1,270,010	8.11
3	ROCKET SCIENCE PTY LTD <THE TROJAN CAPITAL FUND A/C>	1,080,000	6.89
4	MIDBRIDGE INVESTMENTS PTY LTD	744,081	4.75
5	DREAMPOINT INVESTMENTS PTY LTD <GCU COMMUNITY A/C>	580,000	3.70
6	SEQUOIA GROUP HOLDINGS PTY LTD	400,000	2.55
7	B F A PTY LTD	389,486	2.49
8	JASPER HILL RESOURCES PTY LTD <SUPERANNUATION ACCOUNT>	368,715	2.35
9	KEMAST INVESTMENTS PTY LTD <S/F NO 2 A/C>	350,000	2.23
10	WRITE FAMILY INVESTMENTS PTY LTD <WRIGHT FAMILY INVESTMENT A/C>	345,000	2.20
11	MR DAVID JOHN HOLDEN & DR EUN JUNG HOLDEN	228,747	1.46
12	MR SCOTT BEETON & MRS SALLY BEETON <SCOTT & SALLY BEETON S/F A/C> C/- SEQUOIA SUPER PTY LTD	124,000	0.79
13	VANELZ PTY LTD <FREEDOM SUPER FUND A/C>	121,515	0.78
14	BEETON INVESTMENTS PTY LTD <BEETON FAMILY S/F A/C>	115,000	0.73
15	BATH PROPERTIES PTY LTD <THE BATH A/C>	105,371	0.67
16	BRETT DONALD RICHARDS& LINDA MARY RICHARDS <RICHARDS SUPE FUND>	102,303	0.65
17	FUTURE SUPER PTY LTD <JWS SUPER FUND A/C>	100,000	0.64
18	R J TURNER PROPERTIES PTY LTD <TURNER FAMILY SUPER FUND A/C>	100,000	0.64
19	AURORA PROSPECTS PTY LTD	100,000	0.64
20	MR RAYMOND MARKS	100,000	0.64
	TOTAL	**9,074,252**	**57.92**

(c) Unlisted options

4,500,000 options are held by 276 option holders. All the options are exercisable on or before 14 May 2019 at an exercise price of $1.50 each. There are no voting rights attached to these options.

Rank	Shareholder	Number of units	Percentage of issued capital
1	JASPER HILL RESOURCES PTY LTD <SUPERANNUATION ACCOUNT>	175,000	1.12
2	MR MICHAEL FRANK MANFORD <ATLO SUPER FUND A/C>	175,000	1.12
3	TWO TOPS PTY LTD	175,000	1.12
4	KINGSLANE PTY LTD <CRANSTON SUPERANNUATION A/C>	175,000	1.12
5	KEMAST INVESTMENTS PTY LTD <S/F NO 2 A/C>	175,000	1.12
6	WULURA INVESTMENTS PTY LTD <PJT SUPER FUND A/C>	175,000	1.12
7	AVIEMORE CAPITAL PTY LTD	150,000	0.96
8	FLUE HOLDINGS PTY LTD <BROMLEY SUPERANNUATION A/C>	125,000	0.80
9	CRANPORT PTY LTD	100,000	0.64
10	MR DAVID JOHN HOLDEN + DR EUN JUNG HOLDEN	100,000	0.64
11	ROCKET SCIENCE PTY LTD <THE TROJAN CAPITAL FUND A/C>	100,000	0.64
12	MARFORD GROUP PTY LTD	100,000	0.64
13	CITICORP NOMINEES PTY LIMITED	87,500	0.56
14	FUTURE SUPER PTY LTD <JWS SUPER FUND A/C>	75,000	0.48
15	MR MARK JOHN BAHEN + MRS MARGARET PATRICIA BAHEN <SUPERANNUATION ACCOUNT>	75,000	0.48
16	MR DANIEL PAUL WISE <ARK INVESTMENTS A/C>	62,500	0.40
17	OCEAN VIEW WA PTY LTD <DANIEL WISE SUPERFUND A/C>	62,500	0.40
18	WARREN KALAJZICH NOMINEES PTY LTD <WARREN KALAJZICH NOM S/F A/C>	50,000	0.32
19	TECCA PTY LTD <C & E RETIREMENT FUND A/C>	50,000	0.32
20	CANTORI PTY LTD <SUPERFUND A/C>	50,000	0.32
	TOTAL	**2,237,500**	**14.28**

(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:

Rank	Shareholder	Number of units	Percentage of issued capital
1	TRIO C PTY LTD	2,350,024	15.00
2	JH NOMINEES AUSTRALIA PTY LTD <HARRY FAMILY SUPER FUND A/C>	1,270,010	8.11
3	ROCKET SCIENCE PTY LTD <THE TROJAN CAPITAL FUND A/C>	1,080,000	6.89