

Gosnells Financial Services Limited

ABN: 11 095 764 533

Financial Statements

For the half-year ended 31 December 2018

Gosnells Financial Services Limited

Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2018.

Directors

The names of directors who held office during the half-year and until the date of this report are as below:

Raymond Norvill
Jon-Paul Tyrer
Andrew Njunguna
Ignazio Moro
Kate Vivian
James Moran (*Resigned 31 July 2018*)
John Hansen (*Resigned 22 October 2018*)
Teresa Lynes (Appointed 26 February 2019)
Pamela Govender (Appointed 26 February 2019)

Corporate Governance

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

Audit and Governance

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

Raymond Norvill (Non-executive Director)
Ignazio Moro (Non-executive Director)

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

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

In addition to the above, the Company has also implemented other corporate governance practices which include Director approval of operating budgets and monitoring of progress against these budgets, Ongoing Director training and monthly Director meetings to discuss performance and strategic plans.

Principal activities

The principal activities of the company during the financial period were facilitating **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Gosnells Financial Services Limited

Directors' Report

Review of operations

Operations have continued to perform in line with expectations. The net loss of the company for the financial period after the provision of income tax was:

Half-year ended 31 December 2018	Half-year ended 31 December 2017
\$ (80,002)	\$ (47,558)

Events after the end of the reporting period

There are no matters or circumstances that have arisen since the end of the half-year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Signed in accordance with a resolution the directors at Canning Vale, Western Australia on the 15th of March 2019.

Director



Ignazio Moro

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001* to the directors of Gosnells Financial Services Limited

We declare that, to the best of our knowledge and belief, for the half-year ended 31 December 2018 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review
- ii. any applicable code of professional conduct in relation to the review.



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 15 March 2019



Joshua Griffin
Lead Auditor

Gosnells Financial Services Limited

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2018

	2018 \$	2017 \$
Revenue from ordinary activities	366,977	420,152
Employee benefits expense	(248,115)	(279,172)
Charitable donations, sponsorship, advertising and promotion	(23,890)	(25,993)
Occupancy and associated costs	(93,723)	(86,705)
Systems costs	(18,490)	(13,527)
Depreciation and amortisation expense	(10,095)	(15,874)
Finance costs	(21)	-
General administration expenses	(84,746)	(67,632)
Loss before income tax	(112,103)	(68,751)
Income tax credit	32,101	21,193
Loss after income tax	(80,002)	(47,558)
Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:	(80,002)	(47,558)
Earnings per Share	¢	¢
Basic loss per share:	(13.51)	(8.03)

Gosnells Financial Services Limited

Balance Sheet

As at 31 December 2018

	Note	31-Dec-2018 \$	30-Jun-2018 \$
ASSETS			
Current assets			
Cash and cash equivalents		754,588	529,138
Trade and other receivables		73,281	68,948
Financial Assets	6	129,480	130,080
Total current assets		957,349	728,166
Non-current assets			
Property, plant and equipment		25,308	20,414
Intangible assets		34,003	41,481
Deferred tax assets		129,182	96,916
Total non-current assets		188,493	158,811
TOTAL ASSETS		1,145,842	886,977
LIABILITIES			
Current liabilities			
Trade and other payables		383,618	52,186
Provisions		79,548	72,396
Total current liabilities		463,166	124,582
Non-current liabilities			
Borrowings		26,034	27,218
Provisions		11,348	9,881
Total non-current liabilities		37,382	37,099
TOTAL LIABILITIES		500,548	161,681
NET ASSETS		645,294	725,296
EQUITY			
Issued capital		588,400	588,400
Retained earnings		56,894	136,896
TOTAL EQUITY		645,294	725,296

The accompanying notes form part of these financial statements

Gosnells Financial Services Limited

Statement of Changes in Equity

For the half-year ended 31 December 2018

	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2017	588,400	274,467	862,867
Total comprehensive income for the half-year	-	(47,558)	(47,558)
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	-	-
Balance at 31 December 2017	588,400	226,909	815,309
Balance at 1 July 2018	588,400	136,896	725,296
Total comprehensive income for the half-year	-	(80,002)	(80,002)
Transactions with owners in their capacity as owners:			
Shares issued during period	-	-	-
Costs of issuing shares	-	-	-
Dividends provided for or paid	-	-	-
Balance at 31 December 2018	588,400	56,894	645,294

Gosnells Financial Services Limited

Statement of Cash Flows

For the half-year ended 31 December 2018

	2018 \$	2017 \$
Cash flows from operating activities		
Receipts from customers	388,665	441,466
Payments to suppliers and employees	(459,120)	(494,449)
Interest paid	(21)	-
Interest received	6,972	3,750
Net cash used in operating activities	(63,504)	(49,233)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,511)	(858)
Proceeds for branch relocation	293,525	-
Proceeds from financial assets	4,200	4,080
Net cash provided by investing activities	290,214	3,222
Cash flows from financing activities		
Dividends paid	(90)	(80)
Net cash used in financing activities	(90)	(80)
Net increase/(decrease) in cash held	226,620	(46,091)
Cash and cash equivalents at the beginning of the financial year	527,968	703,069
Cash and cash equivalents at the end of the half-year	754,588	656,978

Gosnells Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2018

Note 1. Summary of significant accounting policies

Statement of compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard *AASB 134: Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34: Interim Financial Reporting*.

Basis of preparation

The half-year financial report is intended to provide users with an update on the latest annual financial statements and does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by the company during the period.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and the previous corresponding interim period.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

There are no new and revised Accounting Standards or amendments thereof or interpretations effective for the current reporting period relevant to the company that were not disclosed in the annual financial report for the year ended 30 June 2018.

Note 2. Events subsequent to reporting date

There have been no events subsequent to reporting date that would materially affect the financial statements at the reporting date.

Note 3. Contingent assets and liabilities

There were no contingent assets or liabilities at the date of this report to affect the financial statements.

Note 4. Segment reporting

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

Note 5. Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. No director's fees have been paid as the positions are held on a voluntary basis.

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2018 annual financial report.

Gosnells Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2018

Note 6. Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation.

To provide an indication about the reliability of the inputs used in determining fair value, the applicable assets and liabilities have been classified into the three levels prescribed under the accounting standards, as outlined above.

At 31 December 2018

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements:				
Available-for-sale financial assets				
Listed investments:				
- shares in listed corporations	129,480	-	-	129,480

At 30 June 2018

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements:				
Available-for-sale financial assets				
Listed investments:				
- shares in listed corporations	130,080	-	-	130,080

There were no transfers between Level 1 and Level 2 during the reporting period. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Gosnells Financial Services Limited

Directors' Declaration

In the opinion of the directors of Gosnells Financial Services Limited ("the company"):

1. The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - a. giving a true and fair view of the financial position of the entity as at 31 December 2018 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
 - b. complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director



Ignazio Moro

Dated this 15th day of March 2019.

Independent auditor's review report to the members of Gosnells Financial Services Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Gosnells Financial Services Limited, which comprises the balance sheet as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Gosnells Financial Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

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

- a. giving a true and fair view of the company's financial position at 31 December 2018 and of its performance for the half-year ended on that date
- b. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 15 March 2019



Joshua Griffin
Lead Auditor

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