
Gosnells

Financial Services Limited

ABN: 11 095 764 533

Financial Report

For the half-year ended

31 December 2020

Gosnells Financial Services Limited

Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2020.

Directors

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

Steve Mitchinson (<i>Appointed 5 October 2020</i>)	Daniel Newman
Ignazio Moro	Terry Finlayson (<i>Appointed 5 October 2020</i>)
Pamela Govender	Viet Le (<i>Appointed 5 October 2020</i>)
Terresa Anne Lynes	Raymond Norvill (<i>Resigned 24 November 2020</i>)

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

The Company has established a Finance & Audit and a Risk Governance Committee. The members of the committees are:

Finance & Audit:

Ignazio Moro
Terresa Anne Lynes
Viet Le

Risk Governance Committee:

Terry Finlayson
Terresa Anne Lynes

The primary function of the committees 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 activity

The principal activity of the company during the financial period was facilitating Community Bank services under management rights of Bendigo and Adelaide Bank Limited.

Review of operations

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

Half-year ended 31 December 2020	Half-year ended 31 December 2019
\$ 7,806	\$ (64,161)

Gosnells Financial Services Limited

Directors' Report

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 of the directors at Gosnells, Western Australia.

Chairman



Steve Mitchinson

Dated this 9th day of April 2021

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 2020 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: 9 April 2021



Joshua Griffin
Lead Auditor

Gosnells Financial Services Limited

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2020

	2020 \$	2019 \$
Revenue from contracts with customers	275,888	318,353
Other revenue	51,560	17,533
Finance income	489	2,470
Employee benefits expense	(205,898)	(225,157)
Charitable donations, sponsorship, advertising and promotion	(10,851)	(14,191)
Occupancy and associated costs	(33,204)	(29,195)
Systems costs	(18,796)	(20,691)
Depreciation and amortisation expense	(34,091)	(46,132)
Finance costs	(12,696)	(16,346)
General administration expenses	(48,296)	(48,689)
Movement in market value of financial assets	27,720	(21,600)
Loss before income tax	(8,175)	(83,645)
Income tax credit	15,981	19,484
Profit/(loss) after income tax	7,806	(64,161)
Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:	7,806	(64,161)
Earnings per share	¢	¢
- Basic and diluted earnings/(loss) per share:	1.32	(10.83)

Gosnells Financial Services Limited

Statement of Financial Position

For the half-year ended 31 December 2020

	Note	31-Dec-20 \$	30-Jun-20 \$
ASSETS			
Current assets			
Cash and cash equivalents		174,525	172,845
Trade and other receivables		51,303	52,763
Financial assets	5	111,840	84,120
Total current assets		337,668	309,728
Non-current assets			
Property, plant and equipment		12,829	14,684
Right of use assets		382,355	409,031
Intangible assets		11,771	17,329
Deferred tax assets		239,528	230,754
Total non-current assets		646,483	671,798
TOTAL ASSETS		984,151	981,526
LIABILITIES			
Current liabilities			
Trade and other payables		45,919	34,196
Lease liabilities		45,754	43,399
Employee benefits		67,053	64,923
Total current liabilities		158,726	142,518
Non-current liabilities			
Lease liabilities		391,341	414,720
Provisions		22,012	21,428
Employee benefits		8,206	6,800
Total non-current liabilities		421,559	442,948
TOTAL LIABILITIES		580,285	585,466
NET ASSETS		403,866	396,060
EQUITY			
Issued capital		588,400	588,400
Accumulated losses		(184,534)	(192,340)
TOTAL EQUITY		403,866	396,060

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 2020

	Note	Issued capital	Accumulated losses	Total equity
		\$	\$	\$
Balance at 1 July 2019		588,400	(55,248)	533,152
Total comprehensive income for the half-year		-	(64,161)	(64,161)
Balance at 31 December 2019		588,400	(119,409)	468,991
Balance at 1 July 2020		588,400	(192,340)	396,060
Total comprehensive income for the half-year		-	7,806	7,806
Balance at 31 December 2020		588,400	(184,534)	403,866

Gosnells Financial Services Limited

Statement of Cash Flows

For the half-year ended 31 December 2020

	2020	2019
	\$	\$
Cash flows from operating activities		
Receipts from customers	329,495	371,805
Payments to suppliers and employees	(287,610)	(343,508)
Lease payments (interest component)	(12,111)	(15,785)
Lease payments not included in the measurement of lease liabilities	(7,806)	(15,961)
Interest received	737	3,770
Interest paid	(1)	(10)
Net cash provided by operating activities	22,704	311
Cash flows from financing activities		
Lease payments (principal component)	(21,024)	(41,248)
Net cash used in financing activities	(21,024)	(41,248)
Net cash increase/(decrease) in cash held	1,680	(40,937)
Cash and cash equivalents at the beginning of the financial year	172,845	342,813
Cash and cash equivalents at the end of the half-year	174,525	301,876

Gosnells Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2020

Note 1. Summary of significant accounting policies

Statement of Compliance

This general purpose financial report has been 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

This 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 2020 and any public announcements made by the company during the period.

Accounting policies

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

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. Related parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2020 annual financial report.

Gosnells Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2020

Note 5. 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 2020	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements:				
FVTPL financial assets				
Listed investments:				
- shares in listed corporations	111,840	-	-	111,840
Total assets at fair value	111,840	-	-	111,840

At 30 June 2020	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements:				
FVTPL financial assets				
Listed investments:				
- shares in listed corporations	84,120	-	-	84,120
Total assets at fair value	84,120	-	-	84,120

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 2020 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.

Chairman



Steve Mitchinson

Dated this 9 day of April 2021.

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

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Gosnells Financial Services Limited, which comprises the statement of financial position as at 31 December 2020, 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, a summary of significant accounting policies and other explanatory information and the directors' declaration.

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

- a. giving a true and fair view of the company's financial position at 31 December 2020 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the 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 and the *Corporations Act 2001* and for such internal control as the directors determine necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2020 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*.

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.



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated: 9 April 2021



Joshua Griffin
Lead Auditor