

**Goldfields Money Limited – Half Year Report  
(Appendix 4D) for the half year ended 31 December 2017**

The Directors of Goldfields Money Limited (the “Company”) are pleased to announce the results of the Company for the half year ended 31 December 2017 as follows:

**Results for announcement to the market**

Extracted from the Financial Statements for the half year ended	Change	\$ 31 December 2017	\$ 31 December 2016
Revenue from operations	35.5%	5,051,753	3,728,807
Profit/(loss) after tax attributable to members	n/a	62,707	(632,021)

No dividend was paid or declared by the Company in the period and up to the date of this report. No dividends were paid or declared by the Company in respect of the previous year.

	\$ 31 December 2017	\$ 31 December 2016
Net Tangible Assets per share	0.85	0.88

The remainder of the information requiring disclosure to comply with Listing Rule 4.3A is contained in the attached copy of the Financial Statements and comments on performance of the Company included in the Investor Presentation dated 26 February 2018.

Further information regarding Goldfields Money Limited and its business activities can be obtained by visiting the Company’s website at [www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au).

Yours faithfully



Malcolm Cowell  
Company Secretary  
Phone (08) 9438 8888



Goldfields Money Limited  
ACN 087 651 849

Interim Financial Report  
For the six months ended 31 December 2017

## Corporate Information

ACN: 087 651 849

### Directors

Mr. Peter Wallace	(Chairman and Non-executive Director)
Mr. Derek La Ferla	(Deputy Chairman and Non-executive Director)
Mr. Peter Hall	(Non-executive Director)
Mr. Keith John	(Non-executive Director)
Mr. Simon Lyons	(Chief Executive Officer and Executive Director)

### Company Secretary

Mr. Malcolm Cowell

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

120 Egan Street  
KALGOORLIE WA 6430  
Phone: +(61) 8 9021 6444

### Other Locations:

Esperance Branch	Perth Office
90 Dempster Street	Suite 30, 118 Royal Street
Esperance WA 6450	East Perth WA 6004

### Share Registry:

Advanced Share Registry  
110 Stirling Hwy  
Nedlands WA 6009  
Tel: +(61) 8 9389 8033  
Fax: +(61) 8 9262 3723

### Exchange Listing

Australian Securities Exchange Limited  
Exchange Plaza  
2 The Esplanade  
Perth, Western Australia 6000  
ASX Code: GMY

### Auditors:

KPMG  
235 St George's Terrace  
Perth WA 6000

### Website Address:

[www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au)

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## DIRECTORS' REPORT

Your Directors present their report of Goldfields Money Limited ("Goldfields Money" or the "Company") for the six months ended 31 December 2017.

### DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Mr. Peter Wallace	Chairman and Non-executive Director
Mr. Derek La Ferla	Deputy Chairman and Non-executive Director
Mr. Peter Hall	Non-executive Director
Mr. Keith John	Non-executive Director
Mr. James Austin	Non-executive Director (until 23 October 2017)
Mr. Simon Lyons	Executive Director (appointed 23 October 2017)

### PRINCIPAL ACTIVITY

The principal activities of the Company are the provision of a range of banking products and services to existing and new customers. Goldfields Money Limited is an Authorised Deposit-taking Institution (ADI) regulated by the Australian Prudential Regulation Authority (APRA). There were no significant changes in these activities throughout the half-year.

### OPERATING AND FINANCIAL REVIEW

Key operating and financial metrics for the period are as follows:

Key Metric	31 December 2017	31 December 2016	Movement
Net interest revenue	1,470,565	1,380,356	6.5%
Non-interest revenue	1,070,221	556,323	92.4%
Net statutory profit/(loss) after tax	62,707	(632,021)	n/a
Underlying profit/(loss) after tax	362,638	(294,471)	n/a
	31 December 2017	30 June 2017	Movement
Total assets	227,054,129	215,201,362	5.3%
Loans	165,727,379	157,044,459	5.5%
Loans held in off balance sheet facility	34,750,504	26,355,626	31.9%
Total loans under management	200,477,883	183,400,085	9.3%
Deposits	205,493,559	194,134,305	5.8%
Ave. Net Interest Margin	1.98%	1.83%	8.2%
Capital adequacy ratio	17.86%	19.37%	(7.9%)

\*Expressed as absolute change

The Company has recorded statutory profit after tax of \$62,707 for the half-year, a strong turnaround from the comparative period loss after tax of \$632,021. Underlying profit after tax of \$362,638 (31 December 2016: loss of \$294,471 reflecting the contract termination provision recognised in the period) reflects the impact of the transaction costs incurred in relation to the Firstmac takeover response and Finsure merger as discussed further below. The underlying result of the Company reflects the initiatives implemented over the last twelve months to diversify and enhance the Company's earnings, as well as the credit quality inherent within the balance sheet.

The first half of the 2018 financial year has been an eventful period for the Company. The business remained focused on delivery of its new core banking platform to enhance its digital banking capability, as well as the orderly growth of its loan portfolio. An unsolicited takeover bid was lodged by one of the Company's major shareholders (discussed below) and the Directors recommended an alternative transformational merger proposal which is soon to be put to shareholders.

## DIRECTORS REPORT (Continued)

### OPERATING AND FINANCIAL REVIEW (continued)

On 16 October 2017, the Company received an unsolicited take-over from an entity associated with its largest shareholder Firstmac Limited (Firstmac). The initial offer of \$1.12 per share was deemed to be neither fair nor reasonable and below the value range attributed to the Company by EY (acting as independent expert) of \$1.27 to \$1.39. Firstmac subsequently increased its offer to \$1.27 per share which the Directors also recommended that shareholders reject and the offer lapsed on 1 December 2017, without Firstmac obtaining any additional shares in the Company.

At the Company's Annual General Meeting (AGM) on 23 October 2017, three of the resolutions put to shareholders were passed with the resolutions seeking to change the Company's name, refresh the additional 10% placement capacity and the reappointment of Mr. James Austin as director, unsuccessful. Following the AGM, the Company's Chief Executive Officer, Mr. Simon Lyons was appointed to the Board to fill the vacancy caused by the unsuccessful resolution.

On 23 November 2017, the Company and Finsure Holdings Pty Ltd (Finsure) announced the signing of a Process Agreement, which outlined the key commercial terms of a proposal under which the Company will merge with Finsure by acquiring 100% of the diluted shares in Finsure via the issue of Goldfields Money shares. The Process Agreement provided for both entities to mutually complete due diligence, and subject to completion of the due diligence, negotiate in good faith in order to finalise a merger.

On 15 January 2018, the Company announced it had satisfactorily completed the due diligence and agreed terms with Finsure to implement the merger, subject to appropriate approvals being obtained. The merger if approved by shareholders and regulators will be completed through the Company issuing 40.75 million shares to Finsure shareholders. The transaction values the Company's shares at \$1.50 per share. The transaction will result in the Company owning a fast growing national mortgage aggregation and wholesale mortgage business, significantly increasing the Company's scale, access to distribution capabilities and growth prospects.

Goldfields Money continued to grow its asset base in the six-month period while pursuing a strategy to build on its status as an Authorised Deposit-Taking Institution and ultimately become a leading Australian digital bank.

A Company record total of \$23.8 million in new loans were settled during 1HY2018 demonstrating the outcome of the investment made in developing and expanding its distribution capabilities over the last twelve months. New lending continues to be sourced through a combination of direct and mortgage broker based origination. Continued funding of strata finance loans as well as personal loans under the Pioneer Credit arrangement has also contributed to this growth.

Net loan growth of \$8.7 million for the period reflects amounts funded, less the sale of \$10.2 million of loans to Bendigo & Adelaide Bank via its off-balance sheet funding facility and normal run-off. The off-balance sheet funding facility is utilised to manage liquidity and regulatory capital. A further sale of loans into the off-balance sheet facility was completed on 31 January 2018 to allow the company to manage its regulatory capital requirements. Fee and residual income derived from loans held in the off-balance sheet lending facility for the period was \$103,902 (1HY2016: \$107,539).

Net interest income grew 6.5% over the previous comparative period to \$1.47 million (31 December 2016: \$1.38 million), reflecting the growth in the loan book. The net interest margin (adjusted for cost of funding the ATM cash convenience facilities) improved to 1.98% (30 June 2017: 1.83%) reflecting lower cost of funds in the period and the benefit of the higher yielding strata financing that commenced in late FY17.

During the period, the Company continued to provide cash under its Cash Convenience Agreement with Star Payments Systems Pty Ltd (Receivers & Managers Appointed)(Administrators Appointed) (Stargroup) for the company's nationwide ATM network. Stargroup has experienced trading difficulties, and the previous limit of \$30 million was reduced to \$10 million in November 2017 following Stargroup entering receivership.

## DIRECTORS REPORT (Continued)

### OPERATING AND FINANCIAL REVIEW (continued)

The receivers and administrator of the various Stargroup entities are working to finalise a proposal that is likely to see the business to continue to operate with the Goldfields Money facility intact.

The Company commenced two additional ATM Cash Convenience bailment agreements during the half for smaller limits of \$3.0 million and \$0.5 million respectively, which will contribute to the Company's non-interest revenue going forward. Total cash convenience revenue for the period totaled \$721,000 (31 December 2016: \$133,464). Funding of new lending as well as the Cash Convenience arrangements has seen an increase in deposit funding of \$11.4 million. Goldfields Money secures term deposits from a number of sources providing flexibility to meet its funding needs, including for the ATM Cash Convenience arrangements. Term deposit inflows were curbed in August 2017 when it became apparent the Stargroup Cash Convenience Agreement was not likely to be fully utilised.

Loans in arrears greater than 30 and 90 days as at 31 December 2017 were 1.10% and 0.21% respectively of loans and advances (31 December 2016: 1.11% and 0.67% respectively). Loans in arrears predominantly comprise loans secured by residential and/or commercial property with no additional provisioning charge recognised. Two specific provisions recognised at 30 June 2017 were fully utilised during the period with no additional provision required.

Continued refinement to the collective provision resulted in a small reduction to the provision, whilst the specific provision previously recognised was largely utilised. Intangible assets increased by \$0.7 million due to costs capitalised associated with the development of the new core banking system (refer below for further details).

Goldfields Money's regulatory capital ratio was 17.86% as at 31 December 2017. This remains above the Board approved minimum of 17.5% (and APRA requirement of 16.5%). The business expects to continue to use its off-balance sheet lending facility to recycle regulatory capital for new lending. A further \$25 million remains available as at 31 December 2017 in the off-balance sheet lending facility.

The Company's regulatory capital ratio has been impacted by the one-off costs incurred in responding to the Firstmac takeover offer and the merger with Finsure. Transaction costs of \$444,341 were incurred during the period.

Central to the Company's strategy is the transition to a new core banking system which the Company expects to go live in the first half of calendar year 2018. The Company is pioneering deployment of the world's top rated banking platform which is being launched in Australia by Temenos. The new core banking system is specifically being designed for the Australian market. Goldfields Money Limited is deploying the new core banking service via a software as a service (SaaS) model. This provides the business with an opportunity to significantly scale up its operations in a cost effective manner.

Goldfields Money will continue to focus on building the distribution and origination capability of the business, the completion of the merger with Finsure and the transition to the new core banking platform in the second half of FY2018.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial half-year.

### EVENTS SUBSEQUENT TO BALANCE DATE

On 15 January 2018, the Company announced it had reached agreement to progress a merger with Finsure Holdings Pty Ltd (Finsure). The merger (once all necessary approvals are obtained) will result in the Company issuing 40,750,000 ordinary shares to acquire the shares of Finsure. EY has been engaged as an independent expert to opine on the transaction, and the Notice of Meeting and Explanatory Meeting are expected to be dispatched to shareholders in March 2018.

## DIRECTORS REPORT (Continued)

On 31 January 2018, the Company sold a further \$10.0 million of residential loans into the off balance sheet facility with Bendigo & Adelaide Bank Limited as part of its ongoing capital management process.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'Peter Wallace', with a stylized flourish at the end.

Peter Wallace  
Chairman and Non-executive Director  
Dated this 26th day of February 2018



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Goldfields Money Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Goldfields Money Limited for the half-year ended 31 December 2017 there have been:

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

KPMG

KPMG

Maria Trinci

Maria Trinci  
Partner

Perth  
26 February 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

	Note	31 Dec 2017	31 Dec 2016
		\$	\$
Interest revenue	5	3,981,532	3,172,484
Interest expense	5	(2,510,967)	(1,792,128)
Net interest revenue		1,470,565	1,380,356
Non-interest revenue	6	1,070,221	556,323
Impairment write-back/(expense) on loans and advances		22,590	(110,201)
Other expenses	7	(2,470,401)	(2,720,318)
<b>Profit/(Loss) before income tax</b>		<b>92,975</b>	<b>(893,840)</b>
Income tax (expense)/benefit	8	(30,268)	261,819
<b>Profit/(Loss) for the period</b>		<b>62,707</b>	<b>(632,021)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit and loss		-	-
<b>Total comprehensive income for the period</b>		<b>62,707</b>	<b>(632,021)</b>
Basic earnings per share (cents)	18	0.28	(3.5)
Diluted earnings per share (cents)	18	0.27	(3.5)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017

	Note	31 Dec 2017 \$	30 Jun 2017 \$
<b>ASSETS</b>			
Cash and cash equivalents	9	14,744,236	16,223,367
Due from other financial institutions		31,471,563	26,939,505
Loans and advances	11	165,727,379	157,044,459
Other financial assets	10	11,482,153	11,510,426
Other assets		1,038,399	1,647,097
Property, plant and equipment		867,135	787,812
Intangible assets		1,155,003	450,167
Deferred tax assets		568,261	598,529
<b>TOTAL ASSETS</b>		<u>227,054,129</u>	<u>215,201,362</u>
<b>LIABILITIES</b>			
Deposits		205,493,559	194,134,305
Creditors and other payables		922,970	633,832
Provisions		259,335	225,782
<b>TOTAL LIABILITIES</b>		<u>206,675,864</u>	<u>194,993,919</u>
<b>NET ASSETS</b>		<u>20,378,265</u>	<u>20,207,443</u>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>			
<b>Contributed equity</b>			
Issued capital		19,349,846	19,349,846
Other contributed equity		1,830,600	1,830,600
Equity raising costs		(1,394,499)	(1,394,499)
<b>Total contributed equity</b>		<u>19,785,947</u>	<u>19,785,947</u>
Property, plant and equipment revaluation reserve		97,364	97,364
Available for sale financial assets reserve		205,053	205,053
Share-based payments reserve		194,809	86,694
General reserve for credit losses		341,711	341,711
Retained earnings		(246,619)	(309,326)
		<u>20,378,265</u>	<u>20,207,443</u>

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

Attributable to equity holders	Issued Capital	Other Contributed Equity	Equity Raising Costs	Property, Plant and Equipment Revaluation Reserve	Available for Sale Financial Assets Revaluation Reserve	General Reserve for Credit Losses	Share- based Payments Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	15,062,064	1,830,600	(1,208,329)	190,549	-	319,551	-	673,666	16,868,101
(Loss) for the period	-	-	-	-	-	-	-	(632,021)	(632,021)
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	(632,021)	(632,021)
<b>Transactions with owners of the Company</b>	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2016</b>	15,062,064	1,830,600	(1,208,329)	190,549	-	319,551	-	41,645	16,236,080
<b>Balance at 1 July 2017</b>	19,349,846	1,830,600	(1,394,499)	97,364	205,053	341,711	86,694	(309,326)	20,207,443
Profit for the period	-	-	-	-	-	-	-	62,707	62,707
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	62,707	62,707
<b>Transactions with owners of the Company</b>	-	-	-	-	-	-	-	-	-
Cost of share-based payments	-	-	-	-	-	-	108,115	-	-
<b>Balance at 31 December 2017</b>	19,349,846	1,830,600	(1,394,499)	97,364	205,053	341,711	194,809	(246,619)	20,378,265

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

	Note	31 Dec 2017 \$	31 Dec 2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		3,997,904	3,333,498
Interest and other finance costs paid		(1,826,633)	(1,870,060)
Fees and commissions received		1,541,004	402,916
Dividends received		11,830	11,830
Other income		105,592	141,577
Net increase in loans, advances and other receivables		(8,611,424)	(7,463,355)
Net increase in deposits and other borrowings		10,674,919	23,819,837
Payments to suppliers and employees		(1,963,227)	(2,479,894)
<b>Net cash from operating activities</b>		<b>3,929,965</b>	<b>15,896,349</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net (payments)/ receipts for investments		(4,576,049)	(3,504,366)
Payments for property, plant and equipment		(128,210)	(198,862)
Payments for intangible assets		(704,837)	(127,275)
<b>Net cash used in investing activities</b>		<b>(5,409,096)</b>	<b>(3,830,503)</b>
Net increase/(decrease) in cash held		(1,479,131)	12,065,846
Cash and cash equivalents at beginning of the period		16,223,367	2,433,831
Cash and cash equivalents at the end of the period	9	14,744,236	14,499,677

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The interim financial statements of the Company for the six months ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 23 February 2018.

Goldfields Money Limited is a limited company incorporated and domiciled in Australia whose shares are publically traded. The principal activities of the company are the provision of financial products and services.

### 2. BASIS OF PREPARATION

The interim financial statements for the six months ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 June 2017.

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2018.

### 3. CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

The preparation of the financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. In preparing this half-year financial report, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2017.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

Management believes the estimates used in preparing the financial report are reasonable. Actual results in the future may differ from those reported and therefore it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from our assumptions and estimates could require an adjustment to the carrying amounts of the assets and liabilities reported.

### 4. CHANGES IN ACCOUNTING POLICY, ACCOUNTING STANDARDS AND INTERPRETATIONS

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.

NOTES TO THE FINANCIAL STATEMENTS

	31 Dec 2017 \$	31 Dec 2016 \$
<b>5. INTEREST REVENUE AND INTEREST EXPENSE</b>		
<b>INTEREST REVENUE</b>		
Loans and advances	3,470,276	2,841,470
Deposits with other institutions	511,256	331,014
	<u>3,981,532</u>	<u>3,172,484</u>
<b>INTEREST EXPENSE</b>		
Interest on deposits	2,510,967	1,792,128
<b>6. NON-INTEREST REVENUE AND INCOME</b>		
Lending fees	12,645	22,668
Commissions and other fees	219,154	246,784
Cash convenience fee income	721,000	133,464
Dividends received	11,830	11,830
Other	105,592	141,577
	<u>1,070,221</u>	<u>556,323</u>
<b>7. OTHER EXPENSES</b>		
Staff related costs		
Salaries and wages	611,049	837,938
Superannuation	93,128	90,649
Contractors	36,661	108,886
Share-based payments	108,115	-
Other	99,814	67,716
Depreciation	48,877	32,421
Amortisation	-	88,464
Provision for termination of contract	-	475,000
Advertising and promotions	57,128	55,472
Directors' fees	156,603	106,763
Computer system and software costs	50,304	136,956
Communication and website costs	175,325	127,443
Insurance costs	70,699	46,374
Accounting, audit and legal costs	128,222	133,274
Products and services delivery costs	138,948	185,510
Occupancy costs	93,761	79,992
ASX and registry fees	21,891	22,363
General administrative costs	135,535	125,097
Transaction costs (i)	444,341	-
Total other expenses	<u>2,470,401</u>	<u>2,720,318</u>

- (i) The Company has incurred transaction costs of \$444,341 as it responded to the unsolicited takeover offer by Firstmac Holdings Limited, considered alternative proposals and progressed the merger with Finsure Holding Pty Ltd.

NOTES TO THE FINANCIAL STATEMENTS

	31 Dec 2017	31 Dec 2016
	\$	\$
<b>8. INCOME TAX</b>		
The major components of income tax benefit in the interim income statement are:		
Current income tax expense	-	-
Deferred income tax (expense)/benefit	(30,268)	261,819
<b>Income tax (expense)/benefit</b>	<u>(30,268)</u>	<u>261,819</u>
<b>9. CASH AND CASH EQUIVALENTS</b>	<b>31 Dec 2017</b>	<b>30 Jun 2017</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of cash:		
Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank and on hand	14,744,236	16,223,367
	<u>14,744,236</u>	<u>16,223,367</u>
<b>10. OTHER FINANCIAL ASSETS</b>		
Investments in debt securities (measured at amortised cost)	11,057,353	11,085,626
Shares in unlisted corporations (measured at fair value)	424,800	424,800
	<u>11,482,153</u>	<u>11,510,426</u>
<b>11. LOANS AND ADVANCES</b>		
<b>(a) Classification</b>		
Residential loans	141,922,002	135,370,163
Personal loans	2,256,094	1,759,060
Overdrafts	424,433	545,973
Term loans	21,009,879	19,422,896
Total gross loans and advances	165,612,408	157,098,092
Add: Unamortised broker commissions	327,153	278,248
Gross loans and receivables	165,939,561	157,376,340
Provision for impairment - refer note 11(b)	(212,182)	(331,881)
	<u>165,727,379</u>	<u>157,044,459</u>

On 20 November 2017, the Company sold \$10.2 million of residential loans into the off balance sheet facility held with Bendigo & Adelaide Bank Limited as part of its capital management processes.

NOTES TO THE FINANCIAL STATEMENTS

31 Dec 2017      30 Jun 2017

11. LOANS AND ADVANCES (CONTINUED)

	\$	\$
<b>(b) Provision for impairment</b>		
<b>Specific provision</b>		
Opening balance	97,827	70,948
Bad and doubtful debts provided for	-	53,991
Unused amounts reversed	-	-
Bad debts written off during the period	(97,108)	(27,112)
Closing balance	719	97,827
<b>Collective provision</b>		
Opening balance	234,054	-
Bad and doubtful debts provided for	-	234,054
Unused amounts reversed	(22,591)	-
Bad debts written off during the period	-	-
Closing balance	211,463	234,054
Total provision for impairment	212,182	331,881
<b>(c) Credit quality – loans and advances</b>		
Past due but not impaired		
30 days & less than 90 days	1,827,102	616,558
90 days & less than 182 days	18,697	178,396
182 days or more	-	-
	1,845,799	794,954
Impaired - mortgage loans		
Up to 90 days	-	-
Greater than 90 days	330,103	448,109
	330,103	448,109
Overdrawn/over-limit		
Less than 14 days	3,816	2,449
14 days & less than 90 days	979	791
90 days & less than 182 days	459	346
182 days & over	745	1,026
	5,999	4,612
Total past due and impaired	2,181,901	1,247,675
Neither past due nor impaired	163,430,507	155,850,417

NOTES TO THE FINANCIAL STATEMENTS

31 Dec 2017  
30 Jun 2017  
\$ \$

12. COMMITMENTS AND CONTINGENT LIABILITIES

At the reporting date, the company had the following loan and overdraft commitments outstanding:

(i) Outstanding loan commitments

Loans approved but not advanced	7,061,795	7,096,671
Loan funds available for redraw	6,658,406	7,209,198
	<u>13,720,201</u>	<u>14,305,869</u>

(ii) Outstanding overdraft commitments

Customer overdraft facilities approved but not disbursed	<u>704,131</u>	<u>955,592</u>
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(iii) Lease commitments

The Company has obligations under the terms of the 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.

Due not later than one year	71,070	68,923
Due later than one year and not later than five years	64,000	81,713
	<u>135,070</u>	<u>150,636</u>

(iv) Capital commitments

At 31 December 2017, the Company had capital commitments of \$212,300 (31 December 2016: \$336,282) principally relating to the implementation of a new core banking system.

Other than above there were no capital expenditure commitments at reporting date.

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

13. SHARE-BASED PAYMENTS

Since 30 June 2017, the Company has issued two tranches of share-based payment awards pursuant to the Goldfields Money Equity Incentive Plan as approved at the 2016 Annual General Meeting. These were issued in connection with employees' performance for the 2017 financial year and the details of both grants are as set out below:

Instrument type	Performance Rights	Shares
Date of issue	30 October 2017	20 December 2017
Number of instruments	200,000	7,000
Fair value at grant date	\$1.00	\$1.00
Exercise price	Not applicable	Not applicable
Vesting period and other conditions	Subject to the participants remaining employed by the Company until 1 July 2020	Escrowed until 20 December 2020
Expiry date	30 November 2021	Not applicable

## NOTES TO THE FINANCIAL STATEMENTS

### 14. FINANCIAL INSTRUMENTS

Set out below is an overview of financial instruments, other than cash, as at 31 December 2017:

<b>Financial assets:</b>	<b>Loans &amp; receivables</b>	<b>Available-for-sale</b>	<b>Fair value profit or loss</b>	<b>Fair value other comprehensive income</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Due from other financial institutions	31,471,563	-	-	-
Investment securities	11,057,353	-	-	-
Equity instruments	-	424,800	-	-
Loans and advances	165,727,379	-	-	-
Other receivables	677,030	-	-	-
<b>Total</b>	<b>208,933,325</b>	<b>424,800</b>	<b>-</b>	<b>-</b>

  

<b>Financial liabilities:</b>	<b>Financial liabilities at amortised cost</b>	<b>Available-for-sale</b>	<b>Fair value profit or loss</b>	<b>Fair value other comprehensive income</b>
Call deposits	35,169,487	-	-	-
Fixed term deposits	170,324,072	-	-	-
Other payables	922,970	-	-	-
<b>Total</b>	<b>206,416,529</b>	<b>-</b>	<b>-</b>	<b>-</b>

Set out below is an overview of financial instruments, other than cash, as at 30 June 2017:

<b>Financial assets:</b>	<b>Loans &amp; receivables</b>	<b>Available-for-sale</b>	<b>Fair value profit or loss</b>	<b>Fair value other comprehensive income</b>
Due from other financial institutions	26,939,505	-	-	-
Investment securities	11,085,626	-	-	-
Equity instruments	-	424,800	-	-
Loans and advances	157,376,340	-	-	-
Other receivables	1,395,352	-	-	-
<b>Total</b>	<b>196,796,823</b>	<b>424,800</b>	<b>-</b>	<b>-</b>

  

<b>Financial liabilities:</b>	<b>Financial liabilities at amortised cost</b>	<b>Available-for-sale</b>	<b>Fair value profit or loss</b>	<b>Fair value other comprehensive income</b>
Call deposits	37,298,336	-	-	-
Fixed term deposits	156,835,969	-	-	-
Other payables	633,832	-	-	-
<b>Total</b>	<b>194,768,137</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. 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.

	Aggregate net fair value		Amount per the statement of financial position	
	31 Dec 2017	30 Jun 2017	31 Dec 2017	30 Jun 2017
	\$	\$	\$	\$
<b>Financial assets:</b>				
Cash and liquid assets	14,744,236	16,223,367	14,744,236	16,223,367
Due from other financial institutions	31,471,562	26,939,505	31,471,562	26,939,505
Loans and advances	161,653,201	154,439,526	165,727,379	157,044,459
Investment securities	11,093,395	11,090,410	11,057,353	11,085,626
Other financial assets	424,800	424,800	424,800	424,800
Total financial assets	219,387,194	209,117,608	223,425,330	211,717,757
<b>Financial liabilities:</b>				
Deposits	205,493,559	194,134,305	205,493,559	194,134,305
Creditors and other payables	922,970	633,832	922,970	633,832
Total financial liabilities	206,416,529	194,768,137	206,416,529	194,768,137

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

#### *Cash and amounts 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.

#### *Investment securities*

Investment Securities comprise floating rate notes issued by Australian banks. These securities can be traded in secondary markets and fair value has been determined by indicative prices as quoted on Bloomberg.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

#### *Other financial assets*

Other financial assets comprises the shareholding in Cuscal Ltd ("Cuscal") which is classified as available for sale and is measured at fair value. Cuscal operates an off market exchange whereby ADIs holding Cuscal shares are able to trade with each other. The investment in Cuscal is considered a Level 2 investment in the fair value hierarchy and fair value has been determined using the market comparison technique with reference to recent sales transactions by ADIs. There are no Level 3 investments.

#### *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.

### 16. DIVIDENDS

No dividends have been paid or declared during the period or subsequently to the date of this report.

### 17. 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.

### 18. EARNINGS PER SHARE

The following reflects the net income and share information used in the calculation of basic and diluted earnings per share:

	<b>31 Dec</b>	<b>31 Dec</b>
	<b>2016</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Profit/(Loss) for the period	62,707	(632,021)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in the calculation of basic earnings per share:	22,521,410	18,106,853
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	23,128,077	18,106,853
Basic earnings per share (cents)	0.28	(3.5)
Diluted earnings per share (cents)	0.27	(3.5)

## 19. EVENTS SUBSEQUENT TO BALANCE DATE

On 15 January 2018, the Company announced it had reached agreement to progress a merger with Finsure Holdings Pty Ltd (Finsure). The merger will result in the Company issuing 40,750,000 ordinary shares to acquire the shares of Finsure and is subject to a number of conditions precedent as well as regulatory and shareholder approval. EY has been engaged as an independent expert, and the Notice of Meeting and Explanatory Meeting are expected to be dispatched to shareholders in March 2018.

On 31 January 2018, the Company sold a further \$10.0 million of residential loans into the off balance sheet facility with Bendigo & Adelaide Bank Limited as part of its capital management process.

## DIRECTORS' DECLARATION

In accordance with a resolution of directors of Goldfields Money Limited, I state that:

In the opinion of the directors

- (a) The financial statements and notes of Goldfields Money Limited for the half-year ended 31 December 2017 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
  - (ii) complying with Accounting Standards Australian Accounting Standard AASB 134 'Interim Financial Reporting' the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'Peter Wallace', with a large, stylized initial 'P'.

Peter Wallace  
Chairman and Non-executive Director  
Dated this 26th day of February 2018  
Perth



## Independent Auditor's Review Report

To the shareholders of Goldfields Money Limited

### Report on the Interim Financial Report

#### Conclusion

We have reviewed the accompanying *Interim Financial Report* of Goldfields Money Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Goldfields Money Limited 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 2017 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The *Interim Financial Report* comprises:

- Statement of financial position as at 31 December 2017
- 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 1 to 19 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

#### Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.



## Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim 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 2017 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Goldfields Money Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other 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.

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

KPMG

Maria Trinci  
Partner

Perth  
26 February 2018