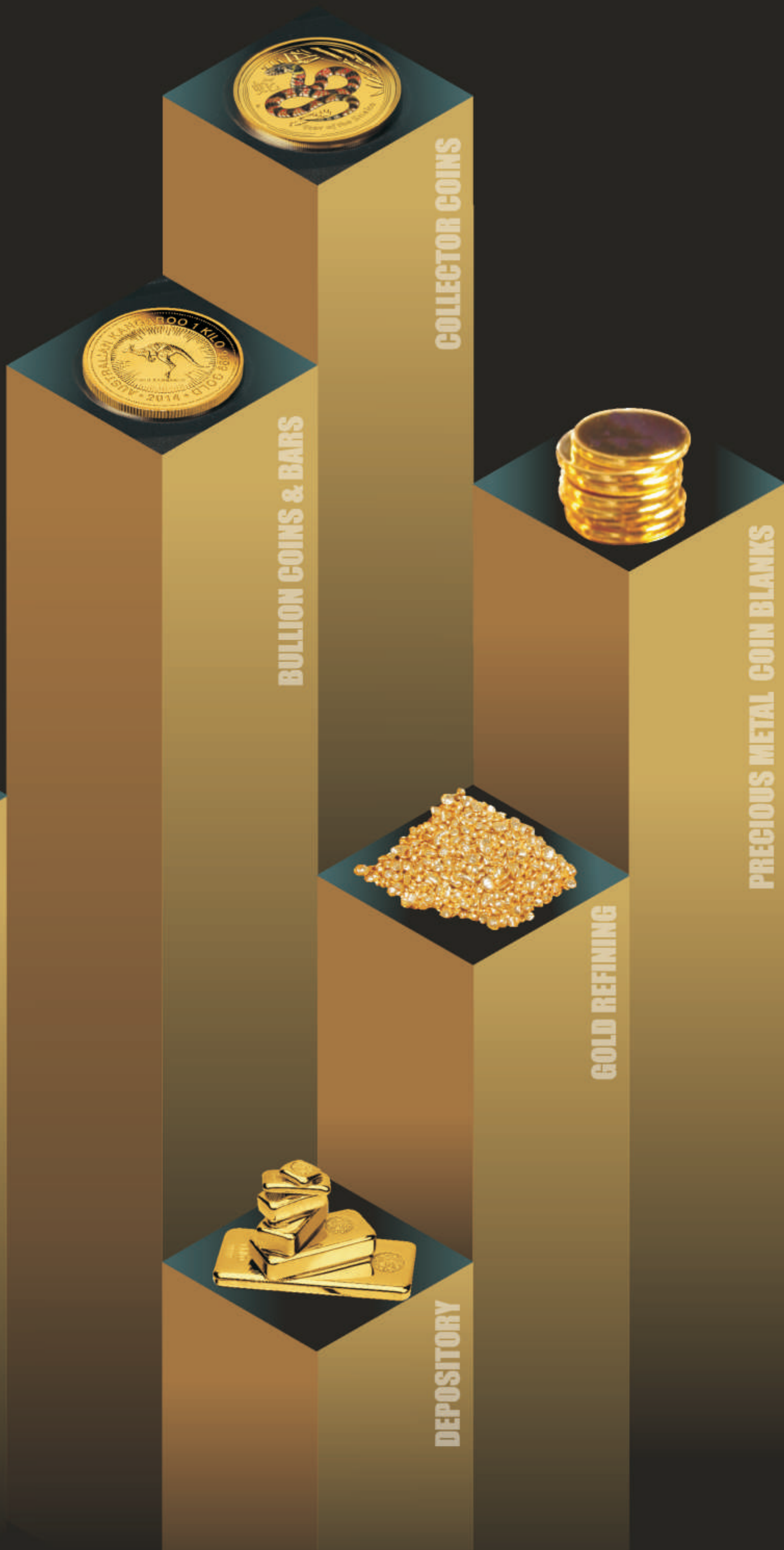
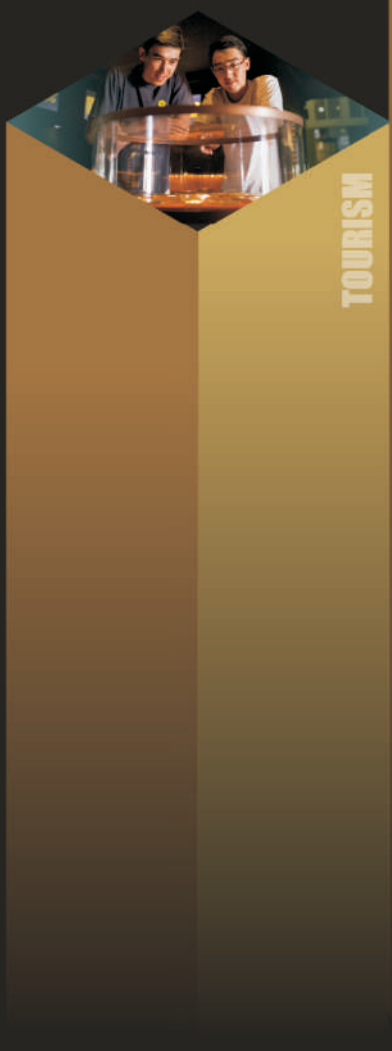
THE PERTH MINT AUSTRALIA

Gold Corporation

Annual Report 2013





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STATEMENT OF COMPLIANCE

6 September 2013

The Honourable Colin Barnett MLA
Premier; Minister for State Development; Science
1 Parliament House
WEST PERTH WA 6005

STATEMENT OF COMPLIANCE

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of Gold Corporation for the year ended 30 June 2013.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006.*

K G SANDERSON
Chair

M E HARBUZ
Executive Director

2013

THE YEAR IN BRIEF

- Pre-tax profit was $36.3 million
- Dividend of $20.7 million and tax equivalent of $15.1 million were paid to the Government of Western Australia
- Turnover was $5.8 billion
- The value of client metal on deposit declined to $2.8 billion from $3.5 billion, mostly as a result of lower precious metal prices
- Most of the gold produced in Australia as doré was refined in Perth, together with gold from nearby countries and recycled gold
- Most of the gold refined was supplied as value-added bars to customers, mainly in Asia
- About 4.28 million coins, medallions and minted bars were sold representing 23.14 tonnes of gold, 256 tonnes of silver and 290 kilograms of platinum
- Australian numismatic coins included:
  - High relief versions of the Kangaroo, Kookaburra, Koala and Lunar coins.
  - Australian Koala 25th Anniversary platinum proof coin
  - 100th Anniversary of Australia's First Banknote silver proof coin
  - 200th Anniversary of the Holey Dollar and Dump silver proof coin set
- The number of people visiting the exhibition was just under 80,000

GOLD CORPORATION – MORE THAN A CENTURY IN PRECIOUS METALS

Gold Corporation's history started with the founding of the Perth branch of Britain's Royal Mint in 1899. At that time, gold sovereigns and half sovereigns were used throughout the British Empire as everyday circulating coins and it was the Royal Mint's responsibility to supply them. Rather than shipping gold to London, minting sovereigns and then distributing them back to Britain's colonies, the Royal Mint built a number of branch mints throughout the Empire in places where gold was found. The Perth Mint was one of these – built to refine gold mined in Western Australia and turn it into sovereigns.

When sovereigns were withdrawn from circulation in 1931, the Mint turned its skills to the production of base metal coins, although it still continued to refine gold. It remained under British ownership until 1970, when control passed to the Government of Western Australia.

Gold Corporation was created by the *Gold Corporation Act 1987* to take over the operations of the Mint and launch Australia's bullion coin programme. The Australian Nugget bullion coin was launched in 1987, and was followed by many other successful bullion coin programmes and numismatic and commemorative coins.

The Mint's refining activities eventually outgrew the old premises in the city of Perth and a new refinery was built near Perth's international airport. This facility commenced operation in 1990.

Gold Corporation has two wholly owned subsidiaries – Western Australian Mint and GoldCorp Australia.

MISSION STATEMENT

Gold Corporation and its subsidiaries, trading as The Perth Mint, supply precious metal related products and services, including:

- Refining of gold and silver and producing London Good Delivery bars;
- Value-added cast bars, minted bars and Australian legal tender bullion coins which promote the ownership of precious metals;
- Precious metal depository products which enable investors to own precious metals without having to deal with the security, insurance and other issues associated with taking physical possession of precious metals;
- Proof, numismatic and commemorative coins which are legal tender of Australia and other countries;
- Storage and safekeeping of precious metals; and
- Coin blanks and other precious metal products.

It also operates a tourist attraction based on the themes of gold, coins and their history, and offers assaying and other services to the gold industry.

Gold Corporation commits to:

- Supplying products, services and experiences which delight customers and users;
- Promoting the history and heritage of Australia locally and internationally through its coins;
- Preserving its heritage assets and history for the benefit of the community;
- Providing fulfilment, development, security and fair reward to its employees;
- Generating an acceptable financial return to its shareholder, the Government of Western Australia; and
- Paying a fair royalty to Australian Treasury on Australian legal tender coins issued.

It is committed to high ethical standards, respect for people and the environment, and enlightened business practices.

CHAIR'S REVIEW

KERRY G SANDERSON

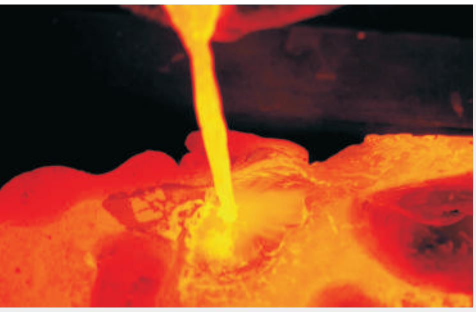
In my first review as Chair I am pleased to report another successful year for Gold Corporation, despite a significant deterioration in outlook for precious metals. The gold price fell by about USD400 during the financial year as stocks, bonds and other investment assets found favour to the detriment of precious metals. The decline in the gold price was from a high base and took the price back to levels experienced during the global financial crisis in 2009 and also in the first half of 2010 (see Chart 1).

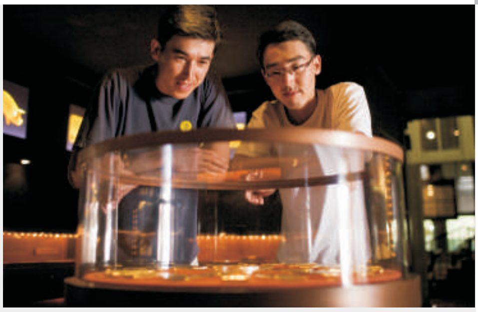
Gold Corporation's profit before tax was $36.3 million, lower than the previous year's record $40.1 million but still the third highest in the Corporation's history. Given the decline in price, this was a pleasing result. Dividends and tax equivalent payments totalling $35.8 million were paid during the year.

The outlook for the world economy is uncertain. There are hopeful signs, like the prospect of sustained growth in the USA but equally, there are concerns. The euro zone still has problems and there seem to be declining prospects for growth in China and other large emerging economies. The precious metals markets are sending mixed signals. The volume of precious metals held in exchange traded funds has declined and there are other signs of institutional selling. This is reflected in a slight decline in volumes held in Perth Mint Depository. Bullion coin demand has, however, not declined to the same extent and demand for small gold bars in Asia is, if anything, increasing. These trends have influenced the business of Gold Corporation and continue to do so.

The refinery is now well integrated with the remainder of our business and performing strongly. Silver refining volumes have increased and gold volumes have been maintained despite intense international competition. Australia has retained its status as the world's second largest gold producer, and is expected to do so for the foreseeable future. The refinery has benefited from small bar demand in Asia resulting in most gold being shipped out in value-added form in the financial year. As mentioned, bullion coin demand has remained elevated and sales in the two main market areas, the USA and Europe, remained satisfactory.

Chart 1. 10 Year USD Gold Price





The increase in The Perth Mint's share of the gold bullion coin market is particularly pleasing. Collector coins issued by The Perth Mint continued to be popular and a number of interesting and successful coins were issued during the year. Some deserving special mention are:

- A number of high relief coins which are particularly attractive and pose significant challenges for the minter's art;
- Two coins commemorating events in Australian history – the 100^{th} anniversary of the country's first banknote and the 200^{th} anniversary of the Holey Dollar and Dump;
- The unique coin in the shape of the map of Australia.

A slight decline in the volume of metal held in Perth Mint Depository was disappointing but reflects trends elsewhere. The value of metal held declined from $3.5 billion to $2.8 billion, mostly as a result of the lower metal prices but also because of a slight decline in the quantity of metal held.

Encouragingly the number of visitors to The Perth Mint's exhibition was almost equal to the previous year. The slight decline was probably due to disruption caused by the exciting refurbishment project which will be completed in December 2013 and promises to raise the attraction to a new level.

Gold Corporation is Western Australia's fourth largest exporter. The Perth Mint has a great reputation in the gold and coin industries throughout the world and Perth Mint Depository attracts customers from many countries. Its success throughout the world and indeed in Australia would not be possible without the many agents, dealers, banks and counterparties which promote its products. Some of these relationships are long standing and all are essential to the success of Gold Corporation. Extensive coverage of world markets can only be done with the help of them. I would like to extend my thanks to all our business partners and express the hope that mutually profitable relationships will continue with all of them.

Gold Corporation's business and profits have grown significantly in the last decade, together with activity in the precious metals markets. Substantial investments have been made to increase capacity, productivity and quality as well as addressing issues of safety and environmental compliance. These investments, as well as projects which are currently under way and those planned for the future, will ensure that Gold Corporation will continue to be a valuable and profitable asset of the Government of Western Australia irrespective of market conditions in the future. The boom in precious metals demand had been used as an opportunity to reposition the business permanently. All capital expenditure has been financed from internal resources and the organisation has no borrowings. This is expected to continue.

Of course, the recent decline in precious metals prices indicates that the markets are changing. Exchange traded funds and similar entities (including Perth Mint Depository) have borne the brunt of the selling, while physical demand for coins and small bars has declined less. The mixed trends in these markets reflect mixed sentiments about the outlook for the world economy, and it is ultimately this outlook which will affect the demand for precious metals and the opportunities for Gold Corporation. There is, and probably will continue to be, considerable uncertainty in the world and the organisation will have to be flexible and nimble over the next few years. I am confident it will be, and look forward to being associated with it in what promise to be exciting times.

I would like to thank the Minister responsible for Gold Corporation, the Honourable Colin Barnett MLA, Premier; Minister for State Development; Science, for his support and keen interest. I also thank my fellow Board members for their dedication and enthusiasm and acknowledge the extra effort required by those serving on Board committees.

Lastly, I would like to thank our Chief Executive, Ed Harbuz, our Chief Financial Officer, Richard Hayes, and our management and staff for their hard work and dedication when our business was facing markets which were extremely volatile and uncertain. Many well laid plans had to be changed on the run as circumstances changed, and both disappointments and opportunities presented themselves. The good outcome for 2012/13 reflects the success of their efforts.

K G SANDERSON
Chair

REVIEW OF OPERATIONS

M. EDWARD HARBUZ, CHIEF EXECUTIVE OFFICER

After a number of years of heightened interest in precious metals as investment assets and steady upward movement of metals prices, a change occurred in the review year. Some hope emerged that stability would return to the world economy with steady growth emerging in the USA, albeit lower than that seen after previous recessions, and an absence of major financial crises in the euro zone or, indeed, elsewhere. Precious metals as investment assets lost ground as other assets found favour, as witnessed by the steady climb in stock prices and lower yields on bonds.

Institutional investors reduced their exposure to metals, resulting in a significant reduction in metals held in exchange traded funds and increased selling in over-the-counter markets. It was a mixed bag, however, as gold and silver coin demand remained robust in the USA and Europe, while demand for small gold bars remained strong in Asia, growing significantly in China. The effects on Gold Corporation were equally mixed. Bullion coin demand remained quite strong (although precious metal blank purchases by other mints declined); small gold bar demand was high, but Perth Mint Depository lost some metal (although proportionally less than the exchange traded funds) and sales of bullion in Australia fell. Lower metal prices and a strong Australian dollar were negative influences on performance.

The profit before tax was $36.3 million, compared to the previous year's record $40.1 million. Turnover was $5.8 billion compared to the previous year's $6.8 billion, reflecting a change in the mix of products sold.

Payments to the Government of Western Australia during the financial year included income tax equivalent payments totalling $15.1 million and a dividend of $20.7 million. The siegnorage royalty payment to Australian Treasury, in terms of the agreement under which Gold Corporation mints and issues Australian legal tender coins, was $4.9 million.

The ongoing capital expenditure programme, one of the reasons for consistently higher profits over the last few years, continued in the financial year. Replacement of assets beyond their useful life, investments in new technology, productivity and increased capacity as well as carefully targeted spending on enhanced safety and environmental performance all form part of this programme. Capital expenditure was $11.2 million in the financial year. All expenditure is financed from internal resources and Gold Corporation has no borrowings. Projects currently in progress include a new precious metal storage facility at the refinery, the exhibition refurbishment and the new silver blank production facility.

Gold and Silver Refinery

The Perth Mint operates Australia's only gold and silver refinery accredited by the London Bullion Market Association. Australia was again the world's second largest producer of gold after China in 2012 and will likely maintain this status in the 2013 calendar year. The Perth facility refined almost all of Australia's gold doré production as well as gold mined in New Zealand, Papua New Guinea, Fiji, Solomon Islands, Thailand, Malaysia, Laos and the Philippines. A significant amount of recycled gold, mainly from Asia, was refined as well. There was a substantial increase in the amount of silver refined and this is expected to continue. The total quantity of gold and silver refined in the financial year makes this refinery one of the largest in the world. Competition in precious metals refining worldwide is intense but the Perth facility has been able to maintain its market share in newly mined and recycled gold refining, and increase its market share in silver refining. The refinery meets Gold Corporation's own physical gold and silver needs and also supplies many customers throughout the world. During the year, it shipped most of its gold in value-added bar form to these customers and only a small amount was shipped in the form of 400oz good delivery bars to the London bullion market. The market for small gold bars in Asia continues to be robust and has grown significantly in China.

Coins

The Perth Mint launched Australia's bullion coin programme in 1987 and has designed, produced and marketed these coins exclusively since then. The programme now consists of a range of gold, silver and platinum coins. Demand for bullion coins remained reasonably buoyant despite the significant decline in precious metals prices. Pleasingly, industry statistics indicated that The Perth Mint increased its share of the world gold bullion coin market.

Notable accomplishments included the sell-out of the 2013 1oz Year of the Snake gold bullion coin (30,000) and the 2013 Year of the Snake silver bullion coin (300,000). Sales of the Australian Kookaburra silver bullion coin reached 500,000 units for the third year in succession. A special bullion 1/2oz silver coin depicting the Australian-American Memorial in Canberra, commemorating joint action in the Pacific Ocean during World War II, was successful in the USA where 280,000 units were sold. Sales of high quality minted gold bars aimed at investors increased once more, especially in the United States.

The Perth Mint also produces and markets a large precious metal collector coin programme which is recognised for its quality, originality, variety and innovation. Most of these coins are Australian legal tender issued under an agreement with Australian Treasury which receives a seignorage royalty on each coin sold. Coins which are legal tender of Tuvalu, Cook Islands and other countries are also issued.

The market for collector coins has become exceedingly crowded with many mints seeing these as a useful source of revenue, and many coin dealers issuing their own coins using small countries as issuing authorities or, indeed, issuing coin-like medallions which are not coins at all. Despite the intense competition, The Perth Mint had another successful year in this market producing many fresh and new designs promoting awareness and appreciation of Australian history, culture, places, wildlife and lifestyle. Coins of other issuing authorities depicted international themes of interest to collectors. Well over 100 collector coins were issued either individually or in sets and 21 of the coins or sets sold out their full mintage. Notable successes during the period included 'high relief' versions of the Kangaroo, Kookaburra, Koala, and Lunar coins; the Australian Koala 25th Anniversary 1/2oz platinum proof coin, the 100th Anniversary of Australia's First Banknote 1oz silver proof coin, the 200th Anniversary of the Holey Dollar and Dump silver proof coin set, and two innovative programmes; the Australian map-shaped and the opal series of silver proof coins.

The number of coins, minted bars and medallions sold was 4.28 million, compared to 4.20 million in the previous year. The sale of these products resulted in The Perth Mint adding value to 23.14 tonnes of gold, 256 tonnes of silver and 290 kilograms of platinum. The previous year's figures were 20.83 tonnes of gold, 288 tonnes of silver and 1,040 kilograms of platinum. Approximately 85% of the revenue earned from these sales was from exports.

The high level of coin production and the uneven demand during the year placed considerable pressure on the factory from time to time. One, two and three shift operation was required at various processes at various times posing many challenges. The equipment modernisation programme and the multi skilling and flexibility of staff allowed production quantities and deadlines to be met. The ISO 9001.2001 quality certification and the AS/NZS 4801.2001 accreditation for health and safety were both maintained.

Planning for the new silver blank production facility, which will increase The Perth Mint's blank production volumes and decrease unit costs significantly, was well under way during the financial year and work on the project has now actually started.

Precious Metal Coin Blanks

The Perth Mint manufactures precious metal coin blanks for a number of other mints around the world, as well as meeting its needs for its own coin production. Its customers include some of the world's most prestigious mints and the ISO 9001.2001 quality certification is essential for this business, ensuring consistent delivery of blanks to the highest quality standards.

There was a significant reduction in the number of blanks produced; 5.2 million compared to the previous year's 8.4 million. This was due to lower than expected sales of some customers' coins as well as initiatives to reduce stock levels.

Visitor Experience

Visitor numbers to the exhibition were 79,608 compared to the previous year's 80,031. This slight decline resulted from the commencement of the refurbishment project in April 2013 which affected visitor numbers towards the end of the year. The refurbishment project is much needed – the facility has been operating for many years without a face lift. The project will be completed in December 2013 and will result in a modern exhibition with multimedia stations, interactive displays and a rotating and well lit display to show the unique one tonne gold coin to dramatic effect. Visitors will still be able to enjoy the live gold pour in the heritage melt house, which will remain an essential feature of the experience.

The retail business has been affected by the general slowdown in the industry. Fewer and lower value purchases have been a concern and the purchase of bullion products declined compared to the previous year. One positive feature was the buyback of unwanted jewellery (for melting) but even this business declined after March 2013, probably because of the lower gold price.

The number of tourists visiting Perth has declined in the last five years but there has been an increase in visitors from China over the past year – a trend which will hopefully continue.

Perth Mint Depository

Precious metal markets were volatile during the year with ongoing Quantitative Easing in the USA, but with frequent speculation of cutting back, and ongoing sovereign debt issues in the euro zone receiving attention sporadically. Precious metal exchange traded funds lost significant quantities of precious metals and, although Perth Mint Depository lost some as well as clients rebalanced their portfolios, the decline was proportionally far less, indicating differences in the customer bases.

At the end of the financial year Perth Mint Depository had over 14,000 active clients from 103 countries. The value of precious metals held declined to $2.76 billion from $3.5 billion, mostly due to a decline in metal prices and, to a small degree, a decline in the quantity of metal held. Of the total, $2.17 billion was held as unallocated metal, $131 million as pool allocated metal and $468 million as metal allocated to customers.

Client allocated and pool allocated metal is stored in vaults segregated from The Perth Mint's precious metal working inventories, which were valued at $2.36 billion at year end. Unallocated metal is used to support the refining and minting operations. The three programs; Perth Mint Depository Program, Perth Mint Certificate Program and the ASX listed Perth Mint Gold are continuing to attract interest from many parts of the world.

State Batteries

A number of state batteries (Government owned mineral processing facilities) were vested in Western Australian Mint (a subsidiary of Gold Corporation) in the late 1980s. Some of these reserves have been leased out for various purposes but most are abandoned. They are mostly in remote and unpopulated areas. Twenty of the sites have been classified as “Possibly Contaminated – Investigation Required” in terms of the *Contaminated Sites Act 2003*. The investigations are being carried out on a priority basis.

The Northampton battery reserve was identified as a priority site requiring remediation. A containment cell for the lead tailings was completed during 2010. The site is monitored regularly to ensure there is no leaching of lead or erosion of the cell's earth covering. Recently, erosion has occurred and the matter will be rectified in consultation with the Department of Environment and Conservation. Funds for this have been provided to Gold Corporation by the Department of Environment and Conservation from its Contaminated Sites Fund.

The contamination of these sites and any other problems they may contain were not caused by Gold Corporation and are a result of operations on the sites long before they were vested in Western Australian Mint. Although most of the costs associated with any remediation are dealt with as described above, the ongoing monitoring of such geographically dispersed sites represents a cost to Gold Corporation and requires management time and attention.

It has been recognised that no reason exists for Gold Corporation to continue to have any responsibility for these sites. Consultation with other agencies in Government is taking place so that the sites can be taken over by an agency or agencies in Government better suited to the task.

Staff

Due to decreased activity levels in some parts of the organisation, the number of permanent staff decreased from 357 to 350. These employees were assigned to the business entities as shown below:

	30 June 2013	30 June 2012
Gold Corporation	72	70
Western Australian Mint	221	232
GoldCorp Australia	57	55
	350	**357**

There were 230 salaried employees and 120 award or collective agreement staff members employed as at 30 June 2013. The workforce consisted of 44.4% women, a slight increase from last year's 44.2%. Female Tier 2 managers decreased to 30% from 33.3% and female Tier 3 managers increased to 42.5% from 42.4%. The average age of employees decreased slightly to 44.94 from 45.52. Youth workers (less than 25 years old) decreased to 5.5% from 6.6% and mature workers (older than 45 years) increased to 50.1% from 47.9%. Staff turnover decreased to 7.6% from 12.9%.

Complaints Policy and Customer Service Charter

Gold Corporation recognises the importance of delighting its customers. As a public statement of its commitment to service and complaints handling, the Corporation's Complaints Policy and Customer Service Charter embodies the following elements:

- A documented and whole-of-organisation commitment to the efficient and fair resolution of complaints;
- Fairness to the complainant;
- Adequate staff resources, with a high level of delegated authority;
- Speedy and courteous responses;
- No charges for the handling of complaints;
- A formal system to determine causes and implement remedies;
- Systematic recording of complaints and their outcomes;
- Regular reviews of the quality management and complaints review process.

In the coin business, a total of 44,901 orders were processed, declining slightly from the previous year, with 68 complaints received. Almost half the number of complaints related to quality issues and these were dealt with, minimising the likelihood of recurrence. The increasing use of blogs, discussion forums and social media platforms is providing unprecedented customer feedback. While much feedback during the year was positive, negative comment and complaints provided opportunities to address issues which might not have been raised in the past.

Depository processed 42,413 orders and received three complaints. The Perth Mint Shop and Gold Exhibition received 10 complaints. There were no complaints related to the gold refining service.

Industry and Community Participation

As part of its functions under the *Gold Corporation Act 1987*, the Corporation is mandated to encourage interest in precious metals and to support the Australian gold industry. Its Mission Statement also requires it to promote the history and heritage of Australia through its coins, and preserve its own heritage assets and history for the benefit of the community.

The Perth Mint involves itself in the local tourism industry and business community through its memberships of the Perth Convention Bureau, Tourism Council of Western Australia, Tourism Australia, Tourism Western Australia, Association of Perth Attractions, Perth Regional Tourism Association (Experience Perth), and the International Business Council.

During the year, The Perth Mint also supported local industry associations through some sponsorship of the WA Tourism Awards hosted by the Tourism Council of Western Australia and the Western Australian Chinese Chamber of Commerce.

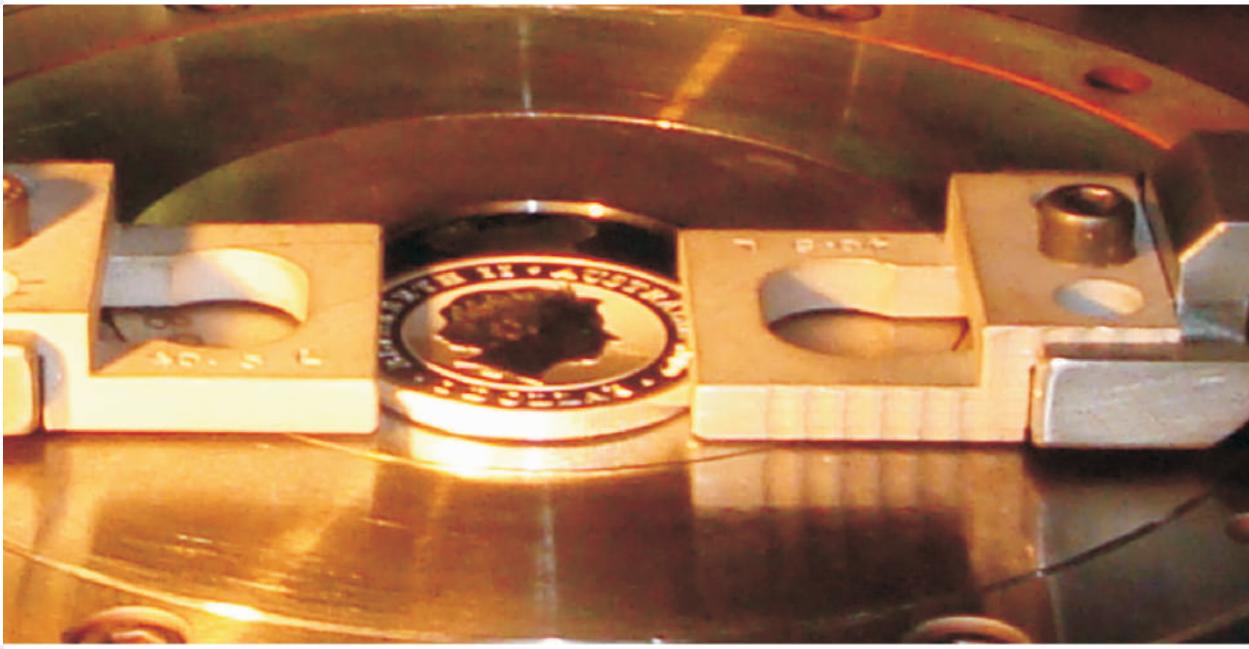
As an active participant in the coin, banknote and stamp shows of the Australasian Numismatic Dealers' Association, The Perth Mint attended events held in Sydney, Melbourne, Perth and Brisbane during the year.

Internationally, The Perth Mint attended the annual London Bullion Market Association Conference, the European World Money Fair, the American World's Fair of Money, the Beijing Coin Expo and the Tokyo International Coin Convention.

Through sponsorships and donations, The Perth Mint assisted the fundraising efforts of organisations which benefited 35 local charities and 107 schools, clubs and special interest groups.

Recognising the special needs of children in remote areas, The Perth Mint continued its support of Foodbank's School Breakfast Programme, which provides a nutritious breakfast for schoolchildren in the Western Desert area of Western Australia.

In support of Western Australia's performance arts, The Perth Mint maintained its sponsorship of the West Australian Symphony Orchestra's Private Giving Programme for the eighth consecutive year.



Closing Comments

The drop in metal prices and, in some markets, the reduced attractiveness of precious metals as investment or portfolio diversification assets is of concern. If indeed there is a resurgence of confidence in the world economy and an expectation of steady and increasing economic growth in the world, then worse lies ahead for precious metals and this will pose challenges for Gold Corporation. Some of the organisation's activities will benefit, like collector coins and tourist attraction but, on balance, business will be more difficult. The commissioning of the silver blank production facility, expected in the 2014 / 2015 financial year will produce a welcome reduction in coin unit costs and the new precious metals storage facility will give the opportunity for increased storage of value-added bars (the demand for which is erratic) and the servicing of institutional customers in Depository. These, and other initiatives, will all mitigate the effects of adverse market conditions.

Of course, the future is particularly uncertain at the moment. Perhaps the positive scenario described above is not to be. Perhaps the recovery in the USA will be less convincing than expected, perhaps the underlying problems in the euro zone, which have not really been addressed, will cause further crises in the future, perhaps the decline in growth in China will be more severe than expected or perhaps geopolitical tensions will erupt somewhere – there are many to choose from. There may well be another boom in precious metals demand, and this time Gold Corporation will be even better placed to exploit it.

Gold Corporation has a dedicated team; a mixture of long serving employees and new appointments. The businesses are specialised and many skills required are rare or unique. I would like to thank all members of the team for their efforts during the year. They showed dedication, resilience, determination and met sometimes daunting challenges positively and calmly. I would also like to thank those who challenged convention and not only came up with new ideas but made them work. Thanks are also due to employees for their dedication to safety and preserving the environment. I thank the Chair, who joined us during the financial year, and the rest of the Board members for their support and guidance.

The new financial year has started and looks promising, although there have already been some surprises. As discussed above, the only certainty is uncertainty so challenges will abound. I am certain that Gold Corporation is ready for them and expect continued strong performance.

M E HARBUZ
Chief Executive Officer

BUSINESS ACTIVITIES

Gold Refining

The refinery, located in the Perth Airport precinct, is Australia's only LBMA accredited gold and silver refiner. It refines most of Australia's gold, as well as gold from nearby countries. It also refines scrap gold from domestic and Asian sources.

The refinery is accredited by the London Bullion Market Association (LBMA), the Tokyo Commodity Exchange (TOCOM), the New York Commodity Exchange (COMEX), and the Dubai Multi Commodity Centre (DMCC). It holds ISO accreditation for safety and environmental management.

In 2012, The Perth Mint refinery committed to ensuring that its refining operations only source feed material that is deemed to be Conflict Free Metal and complies with all related legal obligations and socially responsible expectations.

The refinery produces 400oz 99.5% gold and 1000oz 99.9% silver London Good Delivery Bars, and has the capacity to convert all its gold and silver feed into value-added good delivery products which include 1kg, 100g, 50oz, 20oz, 10oz, 5oz, 2.5oz and 1oz 99.99% gold bars; 1kg 99.5% gold bars, and 1kg, 100oz and 10oz 99.9% silver bars.

Bullion Coins and Bars

The Perth Mint is the official producer of the Australian Gold, Silver and Platinum Bullion Coin Programme. Issued as legal tender under the *Australian Currency Act 1965*, the annual Programme comprises four series portraying iconic native fauna, and a fifth series celebrating the animals of the Chinese lunar calendar:

- Australian Kangaroo 99.99% pure gold coin series;
- Australian Kookaburra 99.9% pure silver coin series;
- Australian Koala 99.9% pure silver coin series;
- Australian Platypus 99.95% pure platinum coin series;
- Australian Lunar 99.99% pure gold and 99.9% pure silver coin series.

Together with a range of minted gold bars and gold and silver cast bars, The Perth Mint's bullion coins are distributed through an international network of authorised agents, financial institutions and coin dealers. Investors in Australia and much of Asia can also purchase bullion direct from the Mint via www.perthmintbullion.com.

Perth Mint Depository

For those investors not wishing to deal with the issues (security, insurance etc) of taking physical possession of their precious metal, Perth Mint Depository offers the following storage options for unallocated, pool allocated and allocated precious metals:

- Perth Mint Depository Program (PMDP) offers a range of precious metal purchase, storage and trading facilities on competitive terms. The service is promoted principally via the internet and is tailored to suit larger investors;
- Perth Mint Certificate Program (PMCP) offers precious metals investments via an international network of approved dealers. Investors receive a certificate confirming their ownership of precious metals stored at The Perth Mint;
- Perth Mint Gold (ASX code: PMGOLD) is for investors who prefer the convenience of trading on the Australian Securities Exchange. It is listed on the AQUA platform.

Numismatic and Commemorative Coins

The Perth Mint designs, manufactures and markets internationally gold, silver, platinum and base metal non-circulating legal tender coins for collectors. Distinguished from investment coins by their extremely limited mintage and a variety of high-quality numismatic treatments and finishes, the coins are issued as Australian legal tender, or legal tender of Tuvalu or Cook Islands.

Designed in-house, the programme is heavily biased towards Australian themes: native wildlife, famous locations, historical events, important anniversaries and other appropriate topics. There is also scope within the programme to explore universal themes, which in the past have included the arts, the history of ships, aviation, famous people, vehicles and more.

Collector coins are issued by The Perth Mint in a variety of weights and sizes, as individual pieces or in sets. To add to their appeal, the coins are housed in special presentation packaging accompanied by a Certificate of Authenticity stating the official maximum mintage.

Precious Metal Coin Blanks

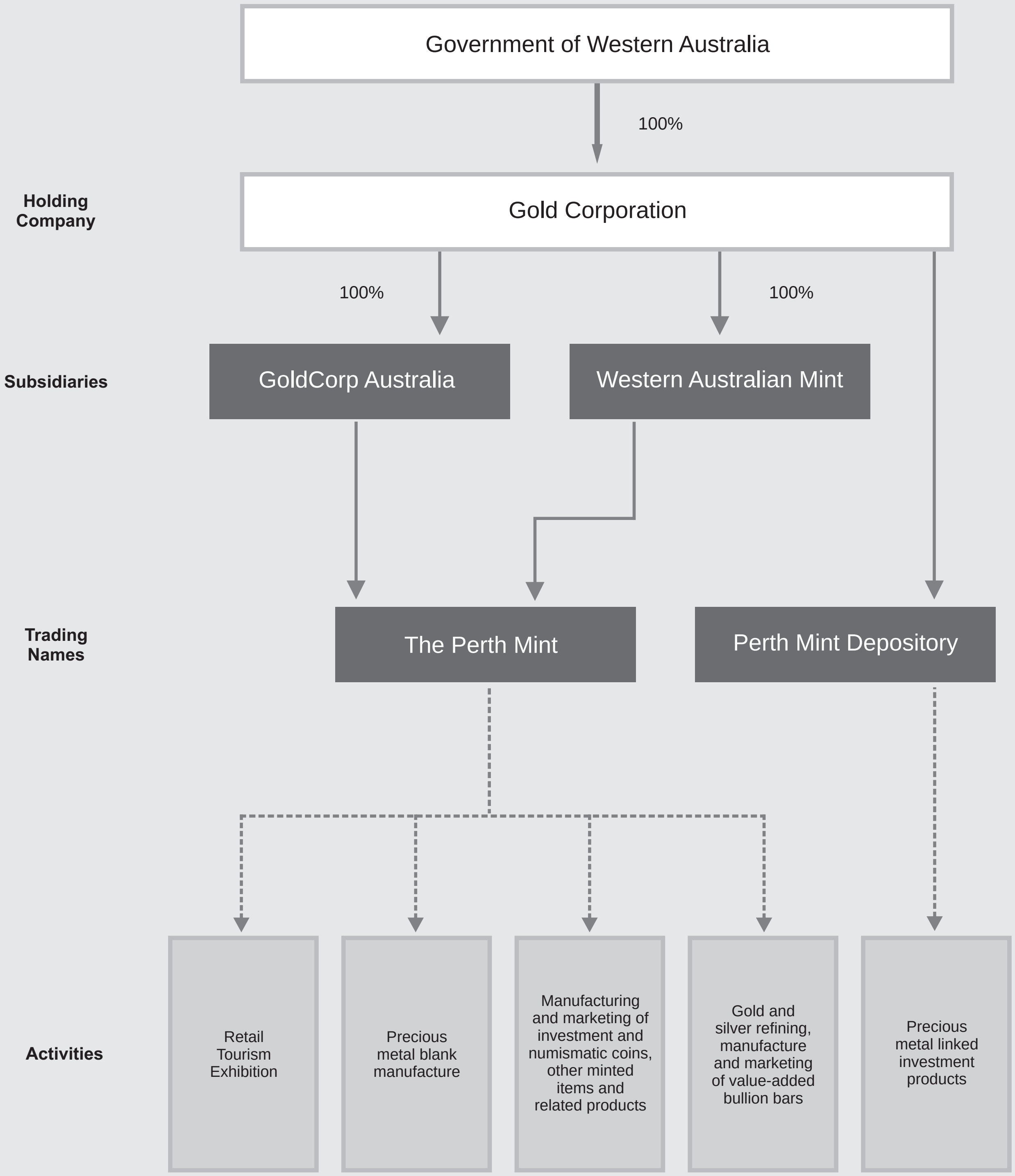
Gold Corporation, in addition to producing precious metal blanks for its own needs, is a supplier of blanks to other mints in the world. With its world class facilities and technology it is able to produce gold, silver and platinum blanks in an almost limitless variety of shapes, weights and sizes.

Tourism and Visitors

The Perth Mint is one of Western Australia's most popular tourist destinations. A winner of many tourism awards, it offers a unique and exciting visitor experience. Among the many highlights of the guided tour are the spectacular gold pour, the Australian Kangaroo one tonne gold coin, a stunning display of gold in many forms and displays of historic and contemporary coins. Welcoming just under 80,000 international, interstate and local visitors annually, The Perth Mint provides a fascinating glimpse into the history of gold and the minting of coins in Western Australia.

The shop also provides a unique opportunity to buy bullion, coins, unique Australian products such as gold nuggets, opals, pink diamonds and South Sea pearls as well as souvenirs and other products.

GROUP STRUCTURE



CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors is the governing body of Gold Corporation. The *Gold Corporation Act 1987* empowers the Board to determine policies for the Corporation and its subsidiaries, and requires the Board to:

- promote and develop markets for gold and gold products in Australia and elsewhere;
- develop and expand the Corporation's business for the benefit and to the greatest advantage of the people of Australia;
- operate in accordance with prudent commercial principles; and
- strive to earn a commercial rate of return on its capital.

The Board's authority is limited by the provisions in the Act and by Ministerial direction. The Board acknowledges its accountability to the Corporation's only shareholder, the Government of Western Australia.

The Board is committed to sound corporate governance principles, high standards of legislative compliance, and appropriate financial and ethical behaviour. The Board regards directorial and managerial conduct seriously and as an integral part of sound governance practices. In accordance with that, the Board has committed itself to comply, wherever applicable, with the spirit and letter of the Australian Institute of Company Directors Code of Conduct and Guidelines. Additionally, Directors can seek independent professional advice on Board matters at the Corporation's expense, with the approval of the Chairman. No such advice was sought during the year.

Membership

Directors are appointed by the Governor of Western Australia on the nomination of the Minister and approval by Cabinet. Mr R G Bowe retired, and Mrs K G Sanderson was appointed, as Chair, effective 31 August 2012. At year-end the Gold Corporation Board consisted of six non-executive Directors and two executive Directors.

Director	Status	Expiry of Term
K G Sanderson (Chair)	Non-executive	30 June 2015
R B Bennett	Non-executive	30 June 2015
R F Edwards	Non-executive	30 June 2015
G M McMath	Non-executive	30 June 2016
J W F Murphy	Non-executive	N/A, ex-officio
C S Wharton	Non-executive	30 June 2016
M E Harbuz	Executive	30 June 2015
R G Hayes	Executive	30 June 2016

Back row (from left): Gaye McMath, Ron Edwards, Ray Bennett and Chris Wharton
Front row (from left): Ed Harbuz, Kerry Sanderson and Richard Hayes

DIRECTOR BIOGRAPHIES

KERRY SANDERSON AO, BSc, BEcons, HonDLitt, MAICD

From 2008 to 2011 Kerry Sanderson was Agent General for Western Australia and represented and promoted Western Australia throughout Europe including Russia. Prior to this from 1991 she was Chief Executive Officer of Fremantle Ports at a time when the Port underwent substantial change.

Before 1991 Mrs Sanderson was Deputy Director General of Transport for Western Australia and with the State Treasury as Director of Treasury's Economic and Financial Policy Division.

She is currently on the boards of listed companies Downer EDI and Atlas Iron as well as the not-for-profit St John of God Health Care. She chairs the State Emergency Management Committee and participates in a number of charitable and community activities including the Advisory Council for the Curtin University Business School where she is an Adjunct Professor, the Paraplegic Benefit Fund and the Senses Foundation. She is also co-chair of the First Murdoch Commission.

Mrs Sanderson was named an Officer of the Order of Australia (AO) in the 2004 Queen's Birthday Honours List. She has degrees in both science and in economics from the University of Western Australia and in 2005 was the recipient of an Honorary Doctorate of Letters.

RAY BENNETT MAICD

Ray Bennett has had an extensive background in finance and banking with over 25 years' experience in the banking industry. Mr Bennett was the General Manager Retail Banking for Challenge Bank immediately prior to leaving the banking industry.

Mr Bennett was subsequently appointed Chief Executive Officer of the then Western Australian Totalisator Agency Board in 1995. He remained as Chief Executive until the Totalisator Agency Board was abolished in 2003, and Racing and Wagering Western Australia established to continue the operations of the Totalisator Agency Board and take control of the integrity and management of the racing industry, including allocation of funds across the three racing codes. Mr Bennett was appointed Chief Executive of the new organisation, a position he held until his retirement in 2008.

Mr Bennett is a Commissioner with the Western Australian Lotteries Commission.

RON EDWARDS BEc (WA), MEd (Hons) (Syd), EdD (WA)

Ron Edwards is a founding member of the Graham (Polly) Farmer Foundation committed to providing opportunities for Indigenous youth; he is a Council Member of the Anglican Schools Commission concerned with providing low fee Anglican education. He also works as a consultant in the resources and seafood industries. Dr Edwards is a Board Member of the Potato Marketing Corporation and the Australian Landcare Council.

In 2006 Dr Edwards was awarded a Doctorate in Education from the University of Western Australia; his topic was social inclusion in the low fee Anglican School system in Western Australia. Formerly Dr Edwards was the Member for Stirling in the Federal Parliament and was Chairman of the Economics Committee for the Federal Government. Recently he has worked on European trade matters for the Australian seafood industry and provides strategic advice on various projects.

GAYE McMATH BCom MBA (Melb) FCPA, FAICD

Gaye McMath is the Executive Director, Finance and Resources and Chief Financial Officer at the University of Western Australia (UWA) and previously held the position of Pro Vice-Chancellor (Resource Management) and Chief Financial Officer at Murdoch University.

Prior to joining the higher education sector, Ms McMath had a 23 year career with BHP Billiton (BHPB) where she held a range of senior executive roles in finance, strategy, planning, commercial and treasury operations within the minerals, steel and corporate divisions. Ms McMath was a BHPB nominated Director on a number of domestic and international mining and infrastructure subsidiary and joint venture Boards. Ms McMath combines her current executive role with non-executive directorships and is on the Board of the Western Australian Treasury Corporation.

JOHN MURPHY BCom, MCom, GAICD

John Murphy represents the Western Australian Under Treasurer, Mr Timothy Marney. He is currently the acting Director of the Infrastructure Division in the Western Australian Department of Treasury. In this role Mr Murphy heads a team that provides advice to the government on the major Government owned infrastructure and commercial agencies.

Mr Murphy has worked within the State Public Service for over twenty years in a variety of financial, economic and policy roles. As well as working in the Department of Treasury he has worked in agencies dealing with the resources and transport sectors.

CHRIS WHARTON

Chris Wharton is Chief Executive Officer of Seven West Media WA (SWM).

Mr Wharton is responsible for all SWM assets in Western Australia – The West Australian, West Regional Publications (23 mastheads), its on-line properties, WA Publishers, Redwave Media (nine regional licence areas) and Channel Seven Perth.

Before that Mr Wharton was Chief Executive Officer of West Australian Newspapers, a position he held from December 2008.

Prior to that, he was Managing Director of Channel Seven Perth Pty Limited for nine years. During this period Channel Seven Perth dominated its opposition.

Mr Wharton's career began as a journalist and he worked in every area of newspaper management in Sydney before being appointed Chief Executive Officer of Perth's Community Newspaper Group in 1995.

Mr Wharton's community and business involvement includes membership of the Telethon Trust, Committee for Perth and the Australian Institute of Company Directors. He is Vice President of the Chamber of Commerce and Industry of WA.

M EDWARD HARBUZ, BSC (Eng), MBL

Ed Harbuz was appointed Chief Executive Officer of Gold Corporation on 1 July 2003. Mr Harbuz was Managing Director of the South African Mint Company Pty Ltd for almost seven years until 2001 and Group Managing Director of Cullinan Holdings Ltd, one of South Africa's oldest industrial companies, prior to that. Preceding this, he was Chief Executive of Cullinan Refractories and Managing Director of Steetley Refractories in the United Kingdom. Mr Harbuz holds a Master of Business Leadership from the University of South Africa and a BSc (Electrical Engineering) from the University of Natal.

RICHARD HAYES BComm, MBA, CPA, ACIS, MAICD

Richard Hayes was appointed as Chief Financial Officer of Gold Corporation in March 2003. He was previously the Chief Operating Officer and an Executive Director of AGR Matthey from October 2002 to March 2003 and prior to that he was Director, Finance and Deputy Managing Director of AGR Joint Venture from December 1998 to October 2002. Prior to that, he was Chief Financial Officer and Company Secretary of Golden West Refining Corporation Ltd, an ASX-listed company controlled by N M Rothschild & Sons Ltd which, in December 1998, merged with Gold Corporation's refining and jewellery manufacturing business to become the AGR Joint Venture.

Mr Hayes came to Australia from Zimbabwe in 1987 and held a number of financial management positions with Boral Ltd prior to joining Golden West.

Meeting Attendance

There were five formal meetings of the Directors of Gold Corporation during the year ended 30 June 2013 and a number of informal meetings. The number of formal meetings attended by each Director is indicated in the table below.

Directors' Meeting Attendance	Attended	Eligible
R G Bowe (Chair to 31 August 2012)	0	1
K G Sanderson (Chair from 1 September 2012)	4	4
R B Bennett	5	5
R F Edwards	5	5
G M McMath	5	5
J W F Murphy	4	5
C S Wharton	5	5
M E Harbuz	5	5
R G Hayes	5	5

BOARD COMMITTEES

The Board has established two committees, chaired by independent non-executive Directors, to assist in the execution of its duties. These are the Audit and Risk Management Committee and the Remuneration and Allowances Committee.

Each committee member has only one vote and each resolution must be passed by unanimous agreement. In the event that agreement cannot be reached, the matter is referred to the Board for resolution.

Audit and Risk Management Committee

The Committee advises the Board on the quality, integrity, reliability and adequacy of the Corporation's information, accounting and control systems and the risk management process. The Committee acts as a communications interface between the Board and the Corporation's internal and external auditors.

Membership of the Committee at year-end comprised Ms McMath (Chair), Mr Bennett and Mrs Sanderson.

Attendees at meetings of the Committee were Mr Hayes (CFO), Mr David Koch (Manager, Corporate Governance and Risk), Mr Tony de Nobrega (Group Accountant) and Mr Anthony Hart, Finance Manager. Mr Harbuz (CEO) is an invitee. Attendees and invitees do not have voting rights. The Audit and Risk Management Committee met four times during the financial year. Attendance at the meetings is indicated in the table below.

Audit and Risk Management Committee Meeting Attendance

	Attended	Eligible
G M McMath (Chair)	3	4
R B Bennett	4	4
R G Bowe	1	1
K G Sanderson	3	3

Remuneration and Allowances Committee

The Board of Directors delegates authority for determining conditions of employment to the Remuneration and Allowances Committee. The Committee's responsibilities include determining senior staff salary levels, alterations to core conditions of employment and incentive bonus schemes.

The Remuneration and Allowances Committee consists of Mrs Sanderson (Chair), Mr Bennett and Mr Harbuz. Ms Susan Coutts-Wood, Manager Human Resources, also attends the meetings by invitation. The Committee met twice during the financial year. Attendance at the meetings is indicated in the table below.

Remuneration and Allowances Committee Meeting Attendance

	Attended	Eligible
K G Sanderson (Chair)	2	2
M E Harbuz	2	2
R B Bennett	2	2

Management Committee

Executive Management Committee

The Executive Management Committee consists of the senior managers of Gold Corporation. It meets weekly and is chaired by Mr Harbuz. Committee meetings provide a forum for senior managers to keep the management team abreast of key issues in their area and to discuss strategic issues facing the Corporation.

Risk Management

The Board actively monitors the Corporation's risk management system to ensure it is robust and fully integrated with the Corporation's business processes. Regular monthly and quarterly reports are submitted to the Board on group financial risk, credit risk, internal control matters, occupational safety and health, and environmental issues.

Corruption Prevention

Fraud and corruption controls are an integral component of Gold Corporation's Risk Management programme.

The organisation's policies and practices are reviewed regularly and are subject to internal and external audit programmes. Staff awareness sessions, including new staff inductions, are conducted. Gold Corporation is obliged to report any suspected or actual breaches to the Corruption and Crime Commission.

Public Interest Disclosure

Gold Corporation is committed to the aims and objectives of the *Public Interest Disclosure Act 2003* (Whistleblower Protection). It recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made by staff as to corrupt or other improper conduct.

All staff are aware of the public interest disclosure process, and information on the process plus the appropriate forms are available on Gold Corporation's intranet.

The Public Interest Disclosure Officers are Mr David Koch and Mr Graham Segall.

No claims were submitted during the 2012 / 2013 period.

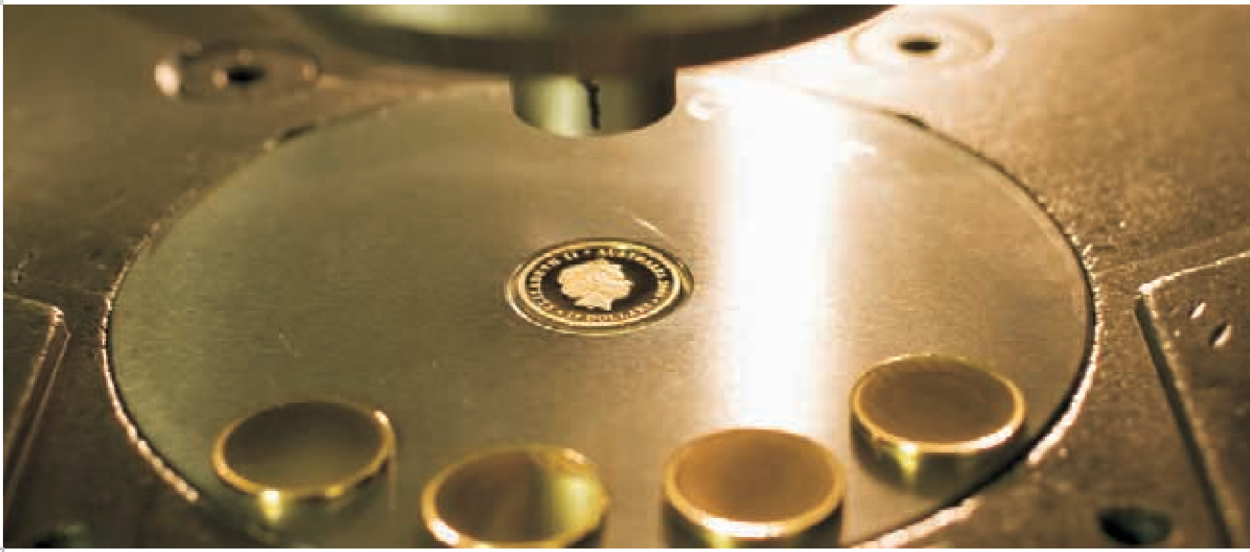
Public Sector Standards and Ethical Codes

Gold Corporation is aware of the requirement to comply with Section 31(1) of the *Public Sector Management Act 1994*.

Gold Corporation is committed to promoting high ethical standards which are incorporated into the organisation's policies and practices.

Staff awareness sessions of the organisation's Code of Conduct and Conflict of Interest policies are conducted.

During the current financial year, no issues relating to non-compliance with the public sector standards, or the WA Code of Ethics were raised.



CORPORATE DIRECTORY

REGISTERED OFFICE

Street Address:

Perth Mint Buildings
310 Hay Street
East Perth, WA 6004
Australia

Tel: +61 8 9421 7222
Fax: +61 8 9221 7031
Email: info@perthmint.com.au

Postal Address:

GPO Box M924
Perth, WA 6843
Australia

Website: www.perthmint.com.au

MINISTER

The Honourable Colin Barnett MLA
Premier; Minister for State Development; Science

STATUTE

Gold Corporation was established under the *Gold Corporation Act 1987.*

DIRECTORS

K G Sanderson	(Non-executive), Chair
R B Bennett	(Non-executive)
R F Edwards	(Non-executive)
G M McMath	(Non-executive)
J W F Murphy	(Non-executive)
C S Wharton	(Non-executive)
M E Harbuz	(Executive, CEO)
R G Hayes	(Executive, CFO)

COMPANY SECRETARY

A P Melville

BANKERS

Westpac Banking Corporation

GROUP DIRECTORY

GOLD CORPORATION

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7222
Fax: +61 8 9221 7031
Postal Address: GPO Box M924, Perth, WA 6843, Australia
Email: info@perthmint.com.au
Website: www.perthmint.com.au
Contacts: M Edward Harbuz, Chief Executive Officer
Bee Ng, Executive Assistant to the Chief Executive Officer

REFINERY

Street Address: 131 Horrie Miller Drive,
Perth Airport, WA 6105, Australia
Tel: +61 8 9479 9999
Fax: +61 8 9479 9909
Email: info@perthmint.com.au
Contact: David Woodford, General Manager, Refinery

PERTH MINT DEPOSITORY

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7250
Fax: +61 8 9221 7074
Email: pmds@perthmint.com.au
Contacts: Nigel Moffatt, Treasurer and Manager,
Perth Mint Depository
John Durham, Manager, Depository Services

WESTERN AUSTRALIAN MINT

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7222
Fax: +61 8 9421 7499
Email: info@perthmint.com.au
Contact: Justin Kees, General Manager, Operations

THE PERTH MINT SHOP

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7428
Fax: +61 8 9221 9804
Email: info@perthmint.com.au
Contact: Cathy Anza, Manager, Visitor Experience

GOLDCORP AUSTRALIA
THE PERTH MINT

Australia

Street Address: Perth Mint Buildings, 310 Hay Street,
East Perth, WA 6004, Australia
Tel: +61 8 9421 7222
Fax: +61 8 9221 3812
Email: info@perthmint.com.au
Contact: Irina Kizitskaya, Australian Wholesale Manager

The Americas

4659 Chemin de la Cote, Sainte Catherine, Montreal
QC H3W1M1, Canada
Tel: +1 514 519 2963
Email: r.di@sympatico.ca
Contact: Rosie Di Gregorio, Manager-North America

Hong Kong and Taiwan

PMHK Ltd
Street Address: Room 1401, Jubilee Centre,
46 Gloucester Road, Wanchai, Hong Kong
Tel: +852 2525 1130
Fax: +852 2810 6809
Email: dominicl@PMHK.com.hk
clara@PMHK.com.hk
Contact: Dominic Leung
Clara Leung

Japan

K'dom Company Ltd
Street Address: Eminence Hirakawacho 401,
2-12-17 Hirakawacho, Chiyoda-ku
Tokyo 102-0093, Japan
Tel: +81 3 3237 3067
Fax: +81 3 3237 3068
Email: koji-ishikawa@tune.ocn.ne.jp
Contact: Koji Ishikawa

Europe

Street Address: Hildesheimerstr. 29
D-38159 Vechelde, Germany
Tel: +49 5302 930 426
Mobile: +49 160 991 41935
Email: guenther.wolters@t-online.de
Contact: Günther Wolters

China

Street Address: Western Australian Trade Office – China,
Room 2204 CITIC Square, 1168 Nanjing Road West
Shanghai 200041 China
Tel: +86 21 5292 5899-28
Fax: +86 21 5292 5889
Email: perthmint@westernaustralia.cn
Contact: Rocky Lu, Business Development Manager

CIS Countries and Eastern Europe

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7222
Fax: +61 8 9221 3812
Email: info@perthmint.com.au
Contact: Andrey Ignatchenko, CIS Wholesale Manager

Middle East

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7222
Fax: +61 8 9221 3812
Email: info@perthmint.com.au
Contact: Andrey Ignatchenko, CIS Wholesale Manager

STATUTORY REPORTING REQUIREMENTS

FINANCIAL ESTIMATES

The following financial estimates for 2013 / 2014 are based on Gold Corporation's budget and are included to satisfy the requirements of the *Treasurer's Instruction 953.*

	$000
Total Revenue	6,908,034
Total Expenditure	6,878,023
Operating profit before income tax	30,011
Income tax expense	9,003
Operating profit after income tax	21,008
Dividend	15,756
Retained earnings	72,938

RECORDS MANAGEMENT

Under the requirements of the *State Records Act 2000,* Gold Corporation is obliged to report on its conduct in compliance with the Act, and communicate this in its annual report. In April 2011, the State Records Office reaffirmed its approval of Gold Corporations compliance with the Act. The efficiency and effectiveness of Gold Corporation's current Record Keeping Plan have been revised and approved, current to April 2016.

Gold Corporation reports on its record keeping training programme and its effectiveness and efficiency. Mandatory Record Keeping training sessions are supplied to relevant new staff which includes their individual responsibilities under the Act. Relevant staff then receive training in the use of the organisation's electronic document and records management system. Additional training sessions are offered on an as needs basis. All inductions and training programmes are reinforced by manuals, policies and procedures. The programme is regularly assessed for compliance with both legislation and Gold Corporation's Quality Management system.

Office of the Auditor General Audit 2013 – Records Performance

Gold Corporation was one of six participants in a cross-agency audit of Records Performance, by the Office of the Auditor General. This audit measured agency levels of compliance with the *State Records Act 2000*.

The findings were tabled in parliament in June 2013.

GOLD CORPORATION

Gold Corporation was established by the *Gold Corporation Act 1987* and the Minister responsible for the Corporation is the Honourable Colin Barnett MLA; Premier; Minister for State Development; Science. Details of the Corporation's Mission Statement, functions, structure and management are available elsewhere in this report.

The Corporation has no policy role in government, makes no laws or regulations except in relation to the conduct of its own affairs, and administers no schemes that confer benefits upon or place imposts on the public.

Section 6 of the Act empowers the Corporation's Board of Directors "*…to determine the policy of Gold Corporation, the Mint and GoldCorp in relation to any matter and to control the affairs of Gold Corporation and each of its subsidiaries…".*

The Corporation's Board is committed to sound corporate governance principles, high standards of legislative compliance and ethical business practice.

FREEDOM OF INFORMATION STATEMENT

The following Information Statement has been prepared by Gold Corporation pursuant to Part 5 of the *Freedom of Information Act 1992 (WA)* and guidelines issued by the Office of the Information Commissioner on 13 May 1994.

The Corporation keeps documents and files relating to its administration and business activities. A number of these documents can be inspected only under the *Freedom of Information Act 1992 (WA)* [FOI].

The following were published by The Perth Mint:

90 Golden Years (published in 1989); The Perth Mint Numismatic Issues 1986 – 1996 (published in 1996); Striking Gold: 100 Years of The Perth Mint (published in 1999); and A Century of Minting Excellence – The History of Australian Coin Production at The Perth Mint (published in 1999).

Documents which can be obtained free-of-charge include Perth Mint brochures and catalogues, media statements, annual reports and the Numismatic Post newsletters.

FOI Exemption

A document is exempt if its disclosure would reveal information about:

- gold or other precious metal received by Gold Corporation from a person, or held by Gold Corporation on behalf of a person, on current account, certificate of deposit or fixed deposit; or
- a transaction relating to gold or other precious metal received or held by Gold Corporation.

FOI Procedures and Access

It is the aim of the Corporation to make information available promptly and at the least possible cost, and whenever possible, documents will be provided outside the FOI process.

If information is not routinely available, the *Freedom of Information Act 1992 (WA)* provides the rights enabling the public to apply for documents held by the Corporation.

Access applications have to (i) be in writing; (ii) provide sufficient information to enable identification of the requested documents; (iii) provide an Australian address to which notices can be sent; and (iv) be lodged at the Corporation, together with any application fee payable.

Applications will be acknowledged in writing and the applicant will be notified of the decision within 45 days.

Applicants who are dissatisfied with a decision of the Corporation may request an internal review.

Application should be made in writing within 30 days of receiving the notice of decision. Applicants will be notified of the outcome of the review within 15 days.

No applications were lodged to Gold Corporation under Freedom of Information (FOI) legislation in 2012 / 2013.

FOI enquiries or applications should be made to the FOI Coordinator, Mr Graham Segall, Compliance and Risk Officer, Gold Corporation, 310 Hay Street, East Perth, WA 6004, telephone (08) 9421 7222, facsimile (08) 9221 7031, email Graham.Segall@perthmint.com.au Inquiries or applications may also be directed to the Manager, Corporate Governance and Risk, Mr David Koch, email David.Koch@perthmint.com.au

OCCUPATIONAL HEALTH AND SAFETY

Commitment and Compliance

Gold Corporation has in place occupational health and safety systems to minimise health and safety risks to employees, customers, contractors, the public and the environment. The systems ensure that policies, procedures and work instructions are in place to comply with legislation, standards and codes of practice and take into account all the information regarding hazards and risks related to the Corporation's operations. Targets and objectives are set and performance in achieving the targets is monitored and reviewed. It adheres to relevant legislation related to health and safety.

Consultation

At the Mint site there is regular consultation with employees and this is done through regular and *ad hoc* toolbox meetings, and monthly Occupational Health and Safety Committee meetings. Employees' representatives contribute significantly at these meetings and are fully engaged in inspections as well as approvals for equipment and process changes.

At the refinery site, there is regular consultation with employees through weekly toolbox meetings, as well as Occupational Health and Safety Committee meetings, which are attended by managers as well as the refinery's five safety and health representatives. Staff continued to participate actively in the site safety observation programme, with 924 observations conducted which contributed to site safety. Forty-nine potential hazards were reported and the majority have been dealt with and closed out. The Occupational Health and Safety Committee met on 12 occasions to review safety performance and propose improvements.

Injury Management

Gold Corporation ensures compliance with the *Workers Compensation and Injury Management Act 1981*. Management is committed to ensuring all injured employees return to work as soon as medically appropriate. Return to work programmes are developed and implemented and injury management consultants are engaged when appropriate.

Third Party Certification

The Mint Site is certified to the *Australian Standard AS4801:2001.* In a recent audit it was acknowledged that most areas of the facility reviewed have clearly benefited from the *AS/NZ 4801* framework but there was one area where there were some deficiencies and a non-conformance was raised. The issues related to the non-conformance have been addressed.

The refinery is regarded as a mine site and is regulated by the *Mines Safety and Inspection Act 1994.* Five site visits were undertaken by Mines Inspectors during the period, with one improvement notice issued, which was actioned and closed out within the month. The refinery underwent certification for international accreditation for Safety and Environment in 2010. The annual ISO certification audits for The Perth Mint Refinery Safety Management System and Environmental Management System, namely AS/NZS 4801:2001; OHSAS 18001:2007 and AS/NZS ISO 14001:2004 were undertaken by Bureau Veritas in October 2012. The auditor found that the Safety and Environmental Management Systems were well established, maintained and controlled. One hundred per cent of the audit action items have been completed.

Performance Against Targets

OSH ITEMS	MINT		REFINERY		TARGET
	2012	2013	2012	2013	
Number of fatalities	0	0	0	0	0
Lost Time Injury/ Diseases (LTI/D) Incident Rate	0.82 16% Reduction	0.53 42% Reduction	3.3 393% Increase	0 100% Decrease	0 or 10% improvement on the previous 3 years
Lost Time Injury Severity Rate	0	0	0	0	0 or 10% reduction
Percentage of workers returned to work within: (I) 13 weeks (ii) 26 weeks	 100% 100%	 100% 100%	 100% 100%	 100% 100%	 >80%
Percentage of managers trained in occupational health and safety and injury management	100%	100%	100%	100%	>80%

SECTION 175ZE OF THE *ELECTORAL ACT 1907 (WA)*

Section 175ZE of the *Electoral Act 1907 (WA)* requires a public agency to include a statement in its annual report detailing all expenditure incurred by or on behalf of the agency during the financial year in relation to advertising, market research, polling, direct mail and media advertising:

1.Total expenditure for 2012/2013 was $564,630

2.Expenditure was incurred in the following areas:

Advertising agencies	$175,649	Marketforce Style Creative	$10,995 $164,654
Market research organisations	Nil	Nil	Nil
Polling organisations	Nil	Nil	Nil
Direct mail organisations	$159,249	Lasermail Traction Digital	$126,880 $32,369
Media advertising organisations	$229,732	Fairfax Radio Optimum Media Decisions Ltd New Editions Film & Sound Media Today Unit Trust Perth Region Tourism Organisation Cineads Australia	$12,900 $88,366 $8,855 $101,092 $5,969 $12,550


Back row (from left) Anne Melville, Rob Barton, Susan Coutts-Wood and Bron Suchecki
Middle row (from left) Justin Kees, David Koch, Joe Metcalfe and Nigel Moffatt
Front row (from left) Ron Currie, Ed Harbuz, Richard Hayes and Cathy Anza

SENIOR MANAGEMENT

(at 30 June 2013)

GOLD CORPORATION

Chief Executive Officer	M E Harbuz
Chief Financial Officer	R G Hayes
Treasurer and Manager, Perth Mint Depository	N P Moffatt
Director, Business Development	G J Metcalfe
Manager, Analysis and Strategy	B M Suchecki
Manager, Corporate Governance and Risk	D J Koch
Chief Information Officer	R H Barton
Manager, Human Resources	S J Coutts-Wood

GOLDCORP AUSTRALIA

Sales and Marketing Director	R M Currie
Manager, Visitor Experience	C B Anza

WESTERN AUSTRALIAN MINT

General Manager, Operations	J K Kees
General Manager, Refinery	D E Woodford
Company Secretary	A P Melville

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

GOLD CORPORATION

Report on the Financial Statements
I have audited the accounts and financial statements of the Gold Corporation and the consolidated entity.

The financial statements comprise the Statement of Financial Position as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Corporation and the consolidated entity for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements
The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Gold Corporation and the consolidated entity at 30 June 2013 and their financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500 FAX: 08 6557 7600

Report on Controls
I have audited the controls exercised by the Gold Corporation during the year ended 30 June 2013.

Controls exercised by the Gold Corporation are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Board's Responsibility for Controls
The Board is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Gold Corporation based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Corporation complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the controls exercised by the Gold Corporation are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2013.

Report on the Key Performance Indicators
I have audited the key performance indicators of the Gold Corporation for the year ended 30 June 2013.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Board's Responsibility for the Key Performance Indicators
The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Board's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the key performance indicators of the Gold Corporation are relevant and appropriate to assist users to assess the Corporation's performance and fairly represent indicated performance for the year ended 30 June 2013.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Gold Corporation for the year ended 30 June 2013 included on the Corporation's website. The Corporation is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
11 September 2013

KEY PERFORMANCE INDICATORS

Gold Corporation is a body corporate incorporated in terms of the *Gold Corporation Act 1987* of Western Australia.

The purpose of Gold Corporation is to:

- develop, manufacture and market Australian legal tender investment coins and other products that promote the ownership of physical precious metal for investment purposes;
- design, manufacture and market proof, commemorative and numismatic coins and related products;
- make available investment products that enable investors to have exposure to the value of precious metals without having to deal with the security and other issues associated with the keeping of the physical metal;
- provide storage and safekeeping facilities for precious metals;
- be a major supplier of precious metal blanks to the mints of the world;
- operate a tourist attraction, based on the themes of gold and minting, that is important to Perth and Western Australia;
- supply refining and other services to the gold industry of Australia; and
- preserve the historical Mint building and artefacts that are part of the heritage of Perth and Australia.

The Corporation is required to operate in accordance with prudent commercial principles, to generate revenue sufficient to meet its expenditure and to derive a profit that represents a commercial rate of return on its capital.

Under the *Treasurer's Instructions 904 and 905*, a statutory authority is required to provide appropriate key performance indicators in its Annual Report, namely:

- relevant agency level government desired outcome(s);
- key effectiveness indicators which provide information on the extent of achievement of an agency level government desired outcome; and
- key efficiency indicators relating an outcome to the level of resource input required to deliver it.

Given the above Treasurer's Instructions and taking into account the Corporation's functions under the *Gold Corporation Act 1987*, its outcomes are:

1 **Maximisation of the Value-added to, and Income Derived from, Precious Metal Coins and Other Products and Services**

The Australian Kangaroo and Lunar bullion gold coins and Kookaburra, Koala and Lunar silver coins have a noted world market share. The Perth Mint's various proof, numismatic and commemorative coins made of gold, silver and platinum are added value precious metal products which are also distributed worldwide.

2 **Preservation and Promotion of The Perth Mint's Heritage Assets and History**

The Perth Mint exhibition includes gold pouring demonstrations, the Industry Collection of Gold Bars Worldwide, historical information on the gold industry in Western Australia and a comprehensive range of investor and numismatic coins. It is an integral part of The Perth Mint's heritage and is a premier tourist destination.

THE RELATIONSHIP BETWEEN GOVERNMENT GOALS AND GOLD CORPORATION'S PERFORMANCE

The Goal most aligned to Gold Corporation's business operations is:

FINANCIAL AND ECONOMIC RESPONSIBILITY

RESPONSIBLY MANAGING THE STATE'S FINANCES THROUGH THE EFFICIENT AND EFFECTIVE DELIVERY OF SERVICES, ENCOURAGING ECONOMIC ACTIVITY AND REDUCING REGULATORY BURDENS ON THE PRIVATE SECTOR

KEY EFFECTIVENESS INDICATORS

		2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Target
The key effectiveness indicators for outcome No. 1 are:							
1 Global market share of Australian gold bullion coins	(Note 1)	7%	5%	6%	7%	11%	10%
2 Coins and bars - value-added to gold, silver and platinum	(Note 2)						
(a) Total premium income		$50.4m	$44.2m	$49.0m	$62.0m	$58.4m	$58.7m
(b) Total premium income expressed as a percentage of precious metal value	(Note 2)	8.3%	8.2%	5.3%	4.2%	4.0%	3.9%
3 Estimated proportion of Australian gold doré production refined by The Perth Mint	(Note 3)	99.9%	99.9%	99.9%	99.95%	99.0%	99.9%
4 Return on equity	(Note 4)	39%	17.5%	26.6%	35.1%	30.5%	27.6%
5 Dividends/income tax equivalent payable to the Western Australian Government	(Note 5)	$27.0m	$15.4m	$23.2m	$32.2m	$29.9m	$28.0m
The key effectiveness indicators for outcome No. 2 are:							
6 a) Visitors to Perth Mint Exhibition	(Note 6)	77,000	77,000	71,000	80,000	80,000	76,000
b) Visitors' satisfaction level		99.9%	99.9%	99.5%	99.9%	99.9%	99.9%

Notes:

1. *The figures are based on Gold Fields Mineral Services data for the previous calendar year.*

2 *The calculation is the total premium income (amount of income received above metal cost) for all legal tender coins and bar sales, which is expressed as a percentage of the value of the precious metal value of the coins and bars. The key effectiveness indicator includes all Australian legal tender coins and bars, as well as coins produced for other countries.*

3 *This calculation is based on the refinery's records and an estimate of the total Australian gold doré production.*

4 *The percentages show Gold Corporation's return on equity for each respective financial year, based on ordinary activities before income tax. This performance measure is referred to in the Gold Corporation Act 1987.*

5 *Income tax equivalent, calculated as if the Corporation were a public company, is payable to the WA Government on profit from ordinary activities. Dividends are payable annually as a percentage of after-tax profit. These payments are forecast annually in Gold Corporation's business plan, and included in the Financial Estimates in the Annual Report.*

6 a *Total number of visitors (to nearest thousand) to the Exhibition annually, based on recorded daily visitor traffic.*

b *Satisfaction levels are derived from random sampling of comments entered into the visitors' book which is available in the foyer of The Perth Mint.*

KEY PERFORMANCE INDICATORS

SERVICES

1 Precious Metal Products and Services

Gold Corporation provides refining, assaying and other services to the gold industry and markets the gold in ways which maximise value-added and which encourage demand for gold.

Demand for gold is encouraged by making it convenient to acquire and own gold; by means of bullion coins, gold bars and various Depository products. Depository products make it possible for gold to be owned without having to deal with the security and other issues associated with the keeping of the physical metal – the metal is held in safe storage on behalf of its owners.

Proof, numismatic and commemorative coins add significant value to precious metal as does the manufacture of precious metal coin blanks for other mints in the world.

2 Cultural Heritage Conservation

Gold Corporation continually upgrades The Perth Mint heritage building situated at 310 Hay Street. It also preserves historical artefacts and documents related to minting and the gold industry in Western Australia.

KEY EFFICIENCY INDICATORS

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Target
The key efficiency indicators for service No. 1 are:						
1 Trading profit as a proportion of sales revenue (Note 1)	2.6%	3.1%	1.29%	1.34%	1.40%	0.89%
2 Staff costs as a proportion of trading profit (Note 2)	31.9%	35.4%	37.2%	32.6%	38.1%	44.5%
The key effectiveness indicator for service No. 2 is:						
3 Average cost per Exhibition visitor expressed as an index (Note 6)	176	154	175	157	174	N/A

Notes:

1 *The percentages show the proportion of Gold Corporation's sales revenue represented by the trading profit (gross margin) for the respective financial year.*

2 *Staff costs include employee benefits, on-costs and contract staff costs, expressed as a percentage of trading profit (gross margin). Staff costs are Gold Corporation's major expenditure, after the cost of precious metals.*

3 *Average cost per Exhibition visitor is derived by calculation of total costs of Exhibition divided by annual number of visitors expressed as an index, with the 2002/2003 year indexed as 100. The number of visitors decreased in 2012/2013.*

CERTIFICATION OF KEY PERFORMANCE INDICATORS

CERTIFICATION OF KEY PERFORMANCE INDICATORS

In our opinion, the Key Performance Indicators for Gold Corporation and its subsidiaries contained in this report are based on proper records, are relevant and appropriate for assisting users to assess the performance of Gold Corporation and its subsidiaries, and fairly represent the performance of Gold Corporation and its subsidiaries for the year ended 30 June 2013.

K G SANDERSON
Chair

M E HARBUZ
Executive Director

6 September 2013

CERTIFICATION OF FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of Gold Corporation and its subsidiaries have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2013, and the financial position as at 30 June 2013.

At the date of signing, we are not aware of any circumstances which would render the particulars included in these financial statements misleading or inaccurate.

K G SANDERSON
Chair

M E HARBUZ
Executive Director

R G HAYES
Chief Finance Officer

6 September 2013

Gold Corporation

Trading as The Perth Mint
ABN 98 838 298 431

Financial Report - 30 June 2013

Gold Corporation
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2013

	Note	Consolidated 2013 $'000	Consolidated 2012 $'000
Revenue	4	5,844,620	6,815,050
Revaluation increase in buildings/investment property	5	146	-
Fees and rents		18,843	15,306
Interest revenue		2,051	2,918
Expenses			
Cost of goods sold	6	(5,763,062)	(6,724,026)
Employee benefits expense	7	(31,068)	(29,661)
Material and services		(28,492)	(31,595)
Depreciation and amortisation expense	6	(5,533)	(4,798)
Loss on disposal of assets		(28)	(123)
Write off of assets		-	(1,258)
Computer rental		(289)	(255)
Finance costs	6	(719)	(1,074)
Revaluation decrease in buildings		(134)	(400)
Profit before income tax expense		**36,335**	**40,084**
Income tax expense	8	(10,631)	(12,481)
Profit after income tax expense for the year attributable to the owners of Gold Corporation	28	**25,704**	**27,603**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of land and buildings, net of tax		14	800
Loss on the revaluation of land and buildings, net of tax		(357)	(889)
Income tax on items of other comprehensive income		103	(3,943)
Total other comprehensive income for the year		**(240)**	**(4032)**
Total comprehensive income for the year attributable to the owners of Gold Corporation		**25,464**	**23,571**

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes

Gold Corporation
Statement of financial position
As at 30 June 2013

	Note	Consolidated 2013 $'000	Consolidated 2012 $'000
Assets			
Current assets			
Cash and cash equivalents	9	62,100	52,566
Trade and other receivables	10	14,829	9,028
Inventories	11	2,373,474	3,063,666
Income tax refund due	12	565	-
Other	13	37,913	43,464
Total current assets		2,488,881	3,168,724
Non-current assets			
Investment properties	14	1,876	1,688
Property, plant and equipment	15	76,164	70,596
Intangibles	16	120	298
Deferred tax assets	17	5,257	3,601
Total non-current assets		83,417	76,183
Total assets		**2,572,298**	**3,244,907**
Liabilities			
Current liabilities			
Trade and other payables	18	91,077	73,273
Borrowings - interest bearing	19	43,829	137,485
Income tax payable	20	-	3,026
Employee benefits	21	3,669	3,943
Provisions	22	1,624	2,521
Precious metal borrowings	23	2,305,830	2,903,861
Total current liabilities		2,446,029	3,124,109
Non-current liabilities			
Deferred tax liabilities	24	6,721	6,039
Employee benefits	25	451	423
Total non-current liabilities		7,172	6,462
Total liabilities		**2,453,201**	**3,130,571**
Net assets		**119,097**	**114,336**
Equity			
Issued capital	26	31,603	31,603
Reserves	27	16,011	16,251
Retained profits	28	71,483	66,482
Total equity		**119,097**	**114,336**

The above statement of financial position should be read in conjunction with the accompanying notes

Gold Corporation
Statement of changes in equity
For the year ended 30 June 2013

	Contributed equity $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Consolidated				
Balance at 2 July 2011	31,603	20,283	53,559	105,445
Profit after income tax expense for the year	-	-	27,603	27,603
Other comprehensive income for the year, net of tax	-	(4,032)	-	(4,032)
Total comprehensive income for the year	-	(4,032)	27,603	23,571
Transactions with owners in their capacity as owners:				
Dividends paid (note 29)	-	-	(14,680)	(14,680)
Balance at 30 June 2012	31,603	16,251	66,482	114,336

	Contributed equity $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Consolidated				
Balance at 1 July 2012	31,603	16,251	66,482	114,336
Profit/(loss) after income tax expense for the year	-	(240)	25,704	25,464
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(240)	25,704	25,464
Transactions with owners in their capacity as owners:				
Dividends paid (note 29)	-	-	(20,703)	(20,703)
Balance at 30 June 2013	31,603	16,011	71,483	119,097

The above statement of changes in equity should be read in conjunction with the accompanying notes

Gold Corporation
Statement of cash flows
For the year ended 30 June 2013

		Consolidated	
	Note	**2013**	**2012**
		$'000	**$'000**
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,857,658	6,830,075
Payments to suppliers and employees (inclusive of GST)		(5,808,189)	(6,784,163)
		49,469	45,912
Interest received		2,051	2,918
Interest and other finance costs paid		(719)	(1,074)
Net cash from operating activities	37	50,801	47,756
Cash flows from investing activities			
Payments for investment property	14	(112)	(91)
Payments for property, plant and equipment	15	(11,398)	(8,177)
Payments for intangibles	16	-	(16)
Deposits made		(121,000)	(152,000)
Deposits repaid		127,000	131,000
Proceeds from sale of property, plant and equipment		39	-
Net cash used in investing activities		(5,471)	(29,284)
Cash flows to State Government			
Income tax equivalent paid		(15,093)	(7,933)
Dividend paid		(20,703)	(14,680)
Repayment of borrowings		-	(3,500)
Net cash used in financing activities		(35,796)	(26,113)
Net increase/(decrease) in cash and cash equivalents		9,534	(7,641)
Cash and cash equivalents at the beginning of the financial year		52,566	60,207
Cash and cash equivalents at the end of the financial year	9	62,100	52,566

The above statement of cash flows should be read in conjunction with the accompanying notes

Gold Corporation
Notes to the financial statements
30 June 2013

Note 1. General information

The financial report covers both Gold Corporation as an individual entity and the consolidated entity consisting of Gold Corporation and subsidiaries and the entities it controlled during the year. The financial report is presented in Australian dollars, which is Gold Corporation and its subsidiaries functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Gold Corporation and subsidiaries are corporations incorporated by the *Gold Corporation Act 1987* and domiciled in Australia. Its registered office and principal place of business is:

310 Hay Street
East Perth
Western Australia
Australia

The nature of the consolidated entity’s operations is the supply of precious metal related products and services. Its principal activities are the refining of gold and silver, the production of value added cast bars, minted bars and Australian legal tender bullion coins, the supply of precious metal depository storage products, the supply of proof, numismatic and commemorative coins and the operation of a tourist attraction. Gold Corporation is classified as a “for profit entity” by the Western Australian Government.

The financial report was authorised for issue, in accordance with a resolution of directors, on 6 September 2013. The directors have the power to amend and reissue the financial report.

The Financial Management Act 2006 and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

The Treasurer's Instructions may modify or clarify their application, disclosure, format and wording to provide certainty and to ensure consistency and appropriate reporting across the public sector. If any such modification has a material or significant financial effect upon the reported results, details of that modification and, where practicable, the resulting financial effects are disclosed in individual notes to the financial report.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Gold Corporation
Notes to the financial statements
30 June 2013

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2010-8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets AASB 112
These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate SIC-21 *Income Taxes - Recovery of Revalued Non-Depreciable Assets* into AASB 112.

Amendments to Australian Accounting Standards -Presentation of Other Comprehensive Income - AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049
This standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, and have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2013. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 10 Consolidated Financial Statements
AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation - Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10.

AASB 12 Disclosure of Interests in Other Entities
AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

Gold Corporation
Notes to the financial statements
30 June 2013

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities
The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position. The adoption of the amendments from 1 July 2013 will increase the disclosures by the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention except for, where applicable, precious metal holdings & inventories, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through the Statement of profit or loss and other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments, rounded to the nearest thousand dollars in accordance with *Treasurer's Instruction 948*.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the *Treasurers Instruction 1105, Consolidated Financial Statements*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 35.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of Gold Corporation ('company' or 'parent entity') as at 30 June 2013. Gold Corporation and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Special purpose entities ('SPEs') are those entities where the consolidated entity, in substance, controls the SPE so as to obtain the majority of benefits without having any ownership interest.

Gold Corporation
Notes to the financial statements
30 June 2013

The consolidated financial statements have been prepared by combining the financial statements of Gold Corporation and all controlled entities in accordance with AASB127 '*Consolidated and Separate Financial Statements*' and modified by the Treasurer's Instruction 1105.

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries and special purpose entities have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sales revenue represents revenue earned from the sale of precious metals, precious metal products and other products, fees and services. It also includes margins on transactions known as metal location swaps, where a quantity of metal is sold in one location, and simultaneously an equivalent quantity is purchased in another location. Bullion sales are recognised on value date. Other sales are recognised on trade date basis.

Funds received from Government

Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the consolidated entity will comply with the conditions associated with the grant. A grant that compensates the consolidated entity for expenses incurred is recognised in the Statement of profit or loss and other comprehensive income on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the consolidated entity for the cost of an asset are recognised in the Statement of profit or loss and other comprehensive income on a systematic basis over the useful life of an asset.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of profit or loss and other comprehensive income. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the start of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Foreign currency gains and losses are reported on a net basis.

Gold Corporation
Notes to the financial statements
30 June 2013

Financial Instruments

Derivative financial instruments

The consolidated entity may use derivative financial instruments to hedge its exposure to foreign exchange risks arising from operating, financing and investing activities. In accordance with its treasury policy, the consolidated entity does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of comprehensive income when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the Statement of profit or loss and other comprehensive income.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to the Statement of profit or loss and other comprehensive income in the same period that the hedged item affects the Statement of profit or loss and other comprehensive income.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to the Statement of profit or loss and other comprehensive income in the same period that the hedged item affects the Statement of profit or loss and other comprehensive income.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the Statement of comprehensive income, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the consolidated entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the consolidated entity's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e. the date that the consolidated entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the consolidated entity's obligations specified in the contract expire or are discharged or cancelled.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Income tax

Gold Corporation is subject to the National Tax Equivalent Regime (NTER), under the State Enterprises (Commonwealth Tax Equivalents) Act 1996. The NTER is administered by the Australian Taxation Office (ATO) on behalf of the States. Under the NTER, the income tax equivalent revenue is remitted to the Treasurer of Western Australia, for credit of the Consolidated Fund. The calculation of the liability in respect of income tax is governed by NTER guidelines and directions approved by Government. As a consequence of participation in the NTER, Gold Corporation is required to comply with AASB 112 "Income Taxes". Income tax on the Statement of profit or loss and other comprehensive income for the year comprises current and deferred tax. Income tax is recognised in the Statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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Current tax is the expected tax payable on the taxable income for the year adjusted by changes in deferred tax assets and liabilities, using tax rates enacted at balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Statement of financial liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or that tax asset and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Corporation has formed a tax consolidated group with effect from 1 July 2002, and the Group is taxed as a single entity. All tax assets and liabilities, expenses and benefits, are recognised in Gold Corporation, which according to its legislation is liable to pay income tax on behalf of its subsidiaries.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an on-going basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Precious metal inventories are valued at fair value, being market prices ruling at balance date. Other inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is assigned on a first in first out basis except for retail inventories where a weighted average method is used. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Precious metal borrowings and unallocated precious metal owned by the Group's customers is shown as inventory due to the fungible nature of precious metal.

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Investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value, based on similar assets, location and market conditions. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Property, plant and equipment
Land and buildings are shown at fair value, based on periodic, at least every year, valuations by external independent valuers, plus post valuation additions and less subsequent depreciation and impairment for buildings. 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. Increases in the carrying amounts arising on revaluation of land and buildings are credited to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to Statement of profit or loss and other comprehensive income.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Plant & equipment	3-12 years
Office equipment	5 years
Software	3 years
Motor vehicles	6 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Gains and losses
Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in the Statement of profit or loss and other comprehensive income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

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Capitalisation/expensing of assets
Items of property, plant & equipment costing $2,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant & equipment costing less than $2,000 are expensed direct to the Statement of profit or loss and other comprehensive income (other than where they form part of a group of similar items which are significant in total).

Impairment
Financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the Statement of profit or loss and other comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the Statement of profit or loss and other comprehensive income.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Impairment of non-financial assets
Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset’s fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid, and customer deposits lodged in advance of allocation to future purchases. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of profit or loss and other comprehensive income over the period of the borrowings on an effective interest basis.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year.

Precious metal borrowings

Precious metal borrowings, including unallocated precious metal owned by the consolidated entity's customers are brought to account at market prices ruling at Statements of financial position date.

Operating Leases
Leases under which all risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the Statement of profit or loss and other comprehensive income in the periods in which they are incurred over the term of the lease, as this represents the pattern of benefits derived from the leased assets.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates may differ to the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor’s financial position.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value and hierarchy of financial instruments
The consolidated entity is required to classify financial instruments, measured at fair value, using a three level hierarchy, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). An instrument is required to be classified in its entirety on the basis of the lowest level of valuation inputs that is significant to fair value. Considerable judgement is required to determine what is significant to fair value and therefore which category the financial instrument is placed in can be subjective.

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Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, and technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Long service leave provision

As discussed in note 2, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Revenue

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Sales revenue		
Sale of goods	5,813,532	6,784,547
Sale of services	31,088	30,503
Revenue	5,844,620	6,815,050

Note 5. Revaluation increase in buildings

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Revaluation of property, plant and equipment	12	-

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Note 6. Expenses

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Profit before income tax includes the following specific expenses:		
Depreciation		
Buildings	159	146
Freehold improvements	609	651
Plant and equipment	4,556	3,899
Total depreciation	5,324	4,696
Amortisation		
Software	209	102
Total depreciation and amortisation	5,533	4,798
Trading Profit		
Sales	5,844,620	6,815,050
Opening trading inventories	3,063,666	3,082,622
Purchases	5,072,870	6,705,070
Less closing trading inventories	(2,373,474)	(3,063,666)
Cost of goods sold	5,763,062	6,724,026
Trading Profit	81,558	91,024
Finance costs		
Finance costs	719	1,074

Note 7. Employee benefits expense

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Wages and salaries (a)	26,146	25,017
Superannuation	2,470	2,242
Annual leave (b)	1,539	1,693
Long service leave (b)	913	709
	31,068	29,661

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.
(b) Includes a superannuation contribution component.

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Note 8. Income tax expense

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Income tax expense		
Current tax	12,075	13,064
Deferred tax - origination and reversal of temporary differences	(871)	(583)
Adjustment recognised for prior periods	(573)	-
Aggregate income tax expense	10,631	12,481

Decrease/(increase) in deferred tax assets (note 17)	(1,656)	102
Increase/(decrease) in deferred tax liabilities (note 24)	785	(685)
Deferred tax - origination and reversal of temporary differences	(871)	(583)

Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	36,335	40,084
Tax at the statutory tax rate of 30% (2012: 30%)	10,901	12,025
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation of property, plant and equipment	249	157
Other non-deductible items	54	299
	11,204	12,481
Adjustment recognised for prior periods	(573)	-
Income tax expense	10,631	12,481
Amounts charged/(credited) directly to equity		
Deferred tax liabilities (note 24)	(103)	3,943

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Note 9. Current assets - cash and cash equivalents

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Cash on hand	32	30
Cash at bank	62,068	52,536
	62,100	52,566

For the purposes of the Statements of cash flows, cash includes cash on hand and at bank, short term deposits at call and commercial bills.

Commercial bills with a maturity date of more than ninety days are reflected in note 13.

The consolidated entity's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in note 30.

Note 10. Current assets - trade and other receivables

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Trade receivables	11,191	4,895
Less: Provision for impairment of receivables	(17)	-
	11,174	4,895
Other receivables	3,655	4,133
	14,829	9,028

The consolidated entity's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 30.

The consolidated entity trades only with recognised, creditworthy counterparties. The consolidated entity has policies in place to ensure that credit sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an on-going basis with the result that the consolidated entity's exposure to bad debts is minimal. There are no significant concentrations of credit risk. The consolidated entity does not have any significant exposure to any individual customer or counterparty.

Impairment of receivables
The ageing of the impaired receivables provided for above are as follows:

	Consolidated	
	2013	**2012**
	$'000	**$'000**
3 to 6 months overdue	17	-

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Movements in the provision for impairment of receivables are as follows:

	Consolidated 2013 $'000	Consolidated 2012 $'000
Opening balance	-	-
Additional provisions recognised	17	-
Closing balance	17	-

Based on historical default rates, the consolidated entity believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days.

Allowance for impairment in respect of receivables was made during the year for $16,553 (2012: Nil).

The allowance in respect of trade receivables and held-to-maturity investments is used to record impairment losses unless the consolidated entity is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly.

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $14,829,000 as at 30 June 2013 ($9,028,000 as at 30 June 2012).

The consolidated entity does not consider there to be a credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated 2013 $'000	Consolidated 2012 $'000
0 to 3 months overdue	14,829	9,028

Note 11. Current assets - inventories

	Consolidated 2013 $'000	Consolidated 2012 $'000
Precious Metal	2,360,339	3,047,876
Finished goods	10,098	12,402
Work in progress - at cost	1,475	1,673
Consumables - at cost	1,562	1,715
	2,373,474	3,063,666

In 2013 inventory provisioning adjustments of $358,921 (2012: $1,302,014) have been written back to the inventory carrying value.

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Note 12. Current assets - income tax refund due

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Opening balance	(3,026)	-
Provision for current year	(12,074)	-
Overprovision previous years	573	-
Amount paid during the year	15,093	-
Income tax refund due	565	-

Note 13. Current assets - other

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Prepayments	2,913	2,464
Other deposits	35,000	41,000
	37,913	43,464

Other deposits represent commercial bills with maturity date greater than 90 days, with interest rates varying between 3.53% and 4.10% (2012: 4.55% and 5.30%).

Note 14. Non-current assets - investment properties

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Investment property - at fair value	1,876	1,688

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	1,688	1,682
Additions	111	91
Impairment of assets	77	(85)
Closing fair value	1,876	1,688

Investment property comprises vacant land at Thomastown, Victoria. Independent valuation is $4,689,400 (2012:$4,220,000). This property was formerly used by AGR Matthey Partnership. The former partners own the property as joint tenants in common, with Western Australian Mint’s share being 40%.

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Note 15. Non-current assets - property, plant and equipment

	Consolidated 2013 $'000	Consolidated 2012 $'000
Land - at independent valuation	15,658	15,645
Buildings - at independent valuation	29,941	30,975
Plant and equipment - at cost	54,837	44,630
Less: Accumulated depreciation	(24,272)	(20,654)
	76,164	70,596

Valuations of land and buildings

The Board resolved to adopt Landgate's valuation of the Western Australian Mint's properties at 292, 300 and 310 Hay Street, Perth and Horrie Miller Drive, Perth Airport. The land and buildings were revalued as at 1 July 2012 in accordance with Landgate's valuation as at that date with the exception of 131 Horrie Miller Drive which was valued on the 30 June 2013. The fair value of all land and buildings was determined by reference to current use value for the land and depreciated replacement value for the buildings. The total revaluation which includes post valuation additions at cost, resulted in a decrease of $408,054 (land $13,700 positive and buildings $421,754 negative). The revaluation decrement in 2012 was $488,783 (land $800,600 positive and buildings $1,289,383 negative). Included in the total revaluation increment in 2013 were building revaluation decrements amounting to $64,384 (2012: $400,235) that were debited to the income statements to the extent that there were not amounts available in the corresponding revaluation reserve. The deferred tax of $103,101 (2012:$3,943,208) was recognised against the increment of $343,670 (2012:$800,600). Net transfer to revaluation reserve thus amounts to $240,569 (2012:$3,142,608). For each revalued property at Hay Street, the carrying amount that would have been recognised had the assets been carried under the cost model is impracticable to determine, due to the fact that the original cost is not available.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold Building $'000	Freehold Land $'000	Freehold Building $'000	Plant & Equipment $'000	Total $'000
Consolidated					
Balance at 1 July 2011	4,748	14,844	25,830	22,952	68,374
Additions	1,747	-	736	5,694	8,177
Disposals	-	-	-	(123)	(123)
Revaluation increments	-	801	-	-	801
Revaluation decrements	(9)	-	(1,280)	-	(1,289)
Write off of assets	-	-	-	(648)	(648)
Depreciation expense	(146)	-	(651)	(3,899)	(4,696)
Balance at 30 June 2012	6,340	15,645	24,635	23,976	70,596
Additions	-	-	156	11,211	11,367
Disposals	-	-	-	(67)	(67)
Revaluation increments	70	13	-	-	83
Revaluation decrements	-	-	(492)	-	(492)
Depreciation expense	(159)	-	(609)	(4,555)	(5,323)
Balance at 30 June 2013	6,251	15,658	23,690	30,565	76,164

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Note 16. Non-current assets - intangibles

	Consolidated 2013 $'000	Consolidated 2012 $'000
Software - at cost	3,234	3,202
Less: Accumulated amortisation	(3,114)	(2,904)
	120	298

There were no indications of impairment to intangible assets at 30 June 2013. The consolidated entity held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Computer Software $'000	Total $'000
Consolidated		
Balance at 1 July 2011	647	647
Additions	16	16
Write off of assets	(610)	(610)
Transfers in/(out)	347	347
Amortisation expense	(102)	(102)
Balance at 30 June 2012	298	298
Additions	31	31
Amortisation expense	(209)	(209)
Balance at 30 June 2013	120	120

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Note 17. Non-current assets - deferred tax

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Impairment of receivables	5	94
Property, plant and equipment	637	988
Employee benefits	1,723	1,310
Other payables	2,718	819
Write-down of inventories	174	390
Deferred tax asset	5,257	3,601
Deferred tax asset to be recovered after more than 12 months	5,257	3,601
Movements:		
Opening balance	3,601	3,703
Credited/(charged) to profit or loss (note 8)	1,656	(102)
Closing balance	5,257	3,601

Note 18. Current liabilities - trade and other payables

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Trade payables	82,093	64,464
Other payables and accrued expenses	8,984	8,809
	91,077	73,273

Refer to note 30 for further information on financial instruments.

Note 19. Current liabilities - borrowings - interest bearing

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Precious Metal borrowings	43,829	137,485

Precious metal borrowings and customer owned precious metal are guaranteed by Government of Western Australia under Section 22 (1) of the *Gold Corporation Act 1987*, with annual limits for gold, silver, platinum and palladium approved by the Treasurer.

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Note 20. Current liabilities - income tax payable

	Consolidated	
	2013	2012
	$'000	$'000
Opening balance	-	(2,106)
Provision for current year	-	13,064
Amount paid during the year	-	(7,932)
Income tax payable	-	3,026

Note 21. Current liabilities - employee benefits

	Consolidated	
	2013	2012
	$'000	$'000
Annual leave	1,737	1,730
Long service leave	1,661	1,920
Employment on-costs	271	293
	3,669	3,943

Annual leave liabilities and long service leave have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Note 22. Current liabilities - provisions

	Consolidated	
	2013	2012
	$'000	$'000
Other	1,624	2,521

Incentive plan
The consolidated entity's incentive plan was originally approved by the Board in 2003 and is designed to motivate all staff to strive towards the consolidated entity achieving an acceptable return on assets. A plan was put into place whereby an ever increasing profit target was set over a number of years. If the target for any year is exceeded then a certain proportion of the amount by which the profit exceeds target is available for distribution to employees. All employees are eligible for payments in terms of the scheme.

There are upper limits on payments to employees and an upper limit to the total amount which can be paid out. The total amount to be paid out in any year must be approved by the Board at its discretion and then all individual payments must be approved by the Remuneration and Allowances Committee.

In the 2012/13 financial year the consolidated entity did exceed its profit target, so employees will be eligible for incentive payments of $1,624,395 (2012: $2,521,058).

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Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Incentive $'000
Consolidated - 2013	
Carrying amount at the start of the year	2,521
Additional provisions recognised	1,624
Payments	(2,521)
Carrying amount at the end of the year	1,624

Note 23. Current liabilities - Precious metal borrowings

	Consolidated 2013 $'000	2012 $'000
Precious metal borrowings	2,305,830	2,903,861

Security for Borrowings
Precious metal borrowings are guaranteed by the Government of Western Australia under Section 22 (1) of the Gold Corporation Act 1987, with annual limits for gold, silver, platinum and palladium approved by the Treasurer. These do not attract interest and are utilised in the consolidated entity's operations.

Note 24. Non-current liabilities - deferred tax

	Consolidated 2013 $'000	2012 $'000
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	5,834	5,953
Prepayments	887	86
Deferred tax liability	6,721	6,039
Deferred tax liability to be settled after more than 12 months	6,721	6,039
Movements:		
Opening balance	6,039	2,781
Charged/(credited) to profit or loss (note 8)	785	(685)
Charged/(credited) to equity (note 8)	(103)	3,943
Closing balance	6,721	6,039

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Note 25. Non-current liabilities - employee benefits

	Consolidated	
	2013 $'000	2012 $'000
Long service leave	415	308
Employment on-costs	36	25
Employee superannuation benefits	-	90
	451	423

Superannuation commitments
The consolidated entity contributes to a superannuation fund, the Spectrum Superannuation Fund, which is operated and administrated by Spectrum Super.

All permanent employees of the consolidated entity are entitled to join the fund. Trustee, funds management and administration services are provided by IOOF Investment Management Ltd. The Spectrum Superannuation Fund provides benefits on retirement, total and permanent disability or death. The consolidated entity contributes to the fund at rates based on the salary of each member employee.

The consolidated entity's employees not wishing to, or who are ineligible to join the Spectrum Superannuation Fund are members of the OnePath Master Fund, to which the consolidated entity contributes at the current rate required by superannuation guarantee legislation.

All the consolidated entity's employees can request that contributions be made to a fund of their own choice, rather than the Spectrum Superannuation Fund or the OnePath Master Fund, in accordance with legislation.

Award-based employees of the Western Australian Mint who made the election prior to December 1996 are entitled to contributory membership of the Western Australian Government Employees Superannuation Fund (Gold State Super). Such employees contribute to that Fund at specified percentages of their wages and salaries. The Western Australian Mint contributes to the Fund at rates set by Government Employees Superannuation Board.

Western Australian Mint award employees who do not wish to, or who are ineligible to join Gold State Super are entitled to non-contributory membership of West State Super, to which the Western Australian Mint contributes at the current rate required by superannuation legislation. Members also have the option of choice of fund and to make personal contributions.

Note 26. Equity - issued capital

	Consolidated		Consolidated	
	2013 Shares	2012 Shares	2013 $'000	2012 $'000
Ordinary shares - fully paid	31,602,582	31,602,852	31,603	31,603

Ordinary shares
Ordinary shares entitle the holder to participate in dividends.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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The Board's policy is to maintain an adequate capital base so as to sustain the future development of the business. The Board of Directors monitors the return on capital, which the consolidated entity defines as net operating income divided by total shareholders' equity. The level of dividends payable is defined in accordance with government policy.

The consolidated entity's target is to achieve a return on equity of 27.6%; before Income Tax equivalent. During the year ended 30 June 2013 the return was 30.5% (2012: 35.1%).

Neither the consolidated entity nor any of its subsidiaries are subject to externally imposed capital requirements. The capital risk management policy remains unchanged from the 30 June 2012 Financial Report.

Note 27. Equity - reserves

	Consolidated	
	2013	2012
	$'000	$'000
Reserve – asset revaluation	16,011	16,251

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Note 28. Equity - retained profits

	Consolidated	
	2013	2012
	$'000	$'000
Retained profits at the beginning of the financial year	66,482	53,559
Profit after income tax expense for the year	25,704	27,603
Dividends paid (note 29)	(20,703)	(14,680)
Retained profits at the end of the financial year	71,483	66,482

Note 29. Equity - dividends

	Consolidated	
	2013	2012
	$'000	$'000
Western Australian Government	20,703	14,680

In accordance with section 21(4) of the Gold Corporation Act 1987 the Board recommended to the Treasurer that an amount of $19,278,135 (2012:$20,703,077) be payable as dividend for the financial year ended 30 June 2013. The dividend was declared and approved after the end of the financial year and therefore has not been provided for in the financial statements.

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Note 30. Financial instruments

Financial risk management objectives
The consolidated entity has exposure to the following risks:

- market risk
- credit risk
- liquidity risk

This note presents information about the consolidated entity's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit & Risk Management Committee, which is responsible for reviewing and monitoring risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated entities.

The consolidated entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The primary risk management document is the Prudential Management Policy which describes the risks the consolidated entity is exposed to, how those risks are to be managed and within what parameters exposure to risks can be taken.

The consolidated entity's Audit & Risk Management Committee oversees how management monitors compliance with the consolidated entity's risk management policies and procedures, and reviews the adequacy and effectiveness of the risk management framework in relation to the risks faced by the consolidated entity. The consolidated entity's Audit & Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the consolidated entity's Audit & Risk Management Committee.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the consolidated entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Prudential Management Policy determines what instruments can be used to manage market risk. These include spot deferred and forward transactions, options and currency swaps, all within pre-determined limits. The consolidated entity currently does not use hedging or derivatives to manage this risk other than for purchases of capital equipment.

Currency risk
The consolidated entity is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the consolidated entity, the Australian dollar.

The consolidated entity does not hedge its estimated foreign currency exposure in respect of forecast sales and purchases. The consolidated entity does not hedge trade receivables, but may hedge trade payables denominated in a foreign currency where appropriate. The consolidated entity uses forward exchange contracts to hedge this currency risk, most with maturity of less than one year from the reporting date. When necessary, forward exchange contracts are rolled at maturity.

In respect of other monetary assets and liabilities denominated in foreign currencies, the consolidated entity ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. The average exchange rates and reporting date exchange rates applied were as follows:

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	Average exchange rates		Reporting date exchange rates	
	2013	**2012**	**2013**	**2012**
Australian dollars				
USD 1	1.0300	1.0003	0.9275	1.0164
EURO 1	0.7900	0.7965	0.7040	0.8063
HKD 1	7.9600	7.7473	7.1091	7.7858
CAD 1	-	1.0364	-	1.0373
GBP 1	-	0.6420	-	0.6470

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
Consolidated				
US dollars	53,075	36,321	(57,629)	(38,096)
Euros	228	83	(1,893)	(12)
Pound Sterling	-	312	-	(4)
Canadian dollars	-	-	-	(1)
Hong Kong dollars	-	-	-	(10)
	53,303	36,716	(59,522)	(38,123)

The group is exposed to foreign currency risk on sales and purchases in currencies other than Australian dollars. The currencies giving rise to this risk are primarily US dollars. Foreign currency risk on sales and purchases are generally not hedged, except for purchases of certain capital items. The group uses forward exchange contracts to hedge such purchases, and contracts have maturity of less than one year after reporting date.

A (strengthening) weakening of the Australian dollar against other currencies at 30 June would have (increased) decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2012.

	AUD strengthened			AUD weakened		
Consolidated - 2013	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
USD	10%	(5,340)	-	10%	5,340	-
EURO	10%	(20)	-	10%	20	-
NZD	10%	(14)	-	10%	14	-
		(5,374)	-		5,374	-

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	AUD strengthened			AUD weakened		
Consolidated - 2012	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
USD	10%	(3,522)	-	10%	3,522	-
EURO	10%	(14)	-	10%	14	-
GBP	10%	(5)	-	10%	5	-
		(3,541)	-		3,541	-

Price risk
The consolidated entity is not exposed to any significant price risk.

Metal price risk
The consolidated entity does not enter into commodity (precious metals) contracts other than to meet the consolidated entity's expected sale requirements, and then only on a back to back basis so as to eliminate the risk of movements in precious metal prices. The consolidated entity has a policy of minimising its long or short precious metal positions by utilising leased precious metal and unallocated precious metal owned by the consolidated entity's customers in its working inventories.

Interest rate risk
The consolidated entity adopts a policy of not hedging its exposure to change in interest rates on borrowings. At the reporting date the interest rate profile of the consolidated entity interest-bearing financial instruments was:

	2013		2012	
	Weighted average interest rate %	**Balance $'000**	**Weighted average interest rate %**	**Balance $'000**
Consolidated				
Fixed rate - Financial liabilities Metal Lease	0.40	(43,829)	0.40	(137,485)
Variable rate - Financial assets Interest	1.80	97,100	2.79	93,560
Net exposure to cash flow interest rate risk		53,271		43,925

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities are set out below. No interest rate hedging has been entered into during the period.

Fair value sensitivity analysis for fixed rate instruments
The consolidated entity does not account for any fixed rate financial assets and liabilities at fair value through the Statements of comprehensive income.

Cash flow sensitivity analysis for variable rate instruments
A change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2012.

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Consolidated - 2013	Basis points increase: Basis points change	Effect on profit before tax	Effect on equity	Basis points decrease: Basis points change	Effect on profit before tax	Effect on equity
Variable rate instruments	50	244	-	50	(244)	-
		244	-		(244)	-

Consolidated - 2012	Basis points increase: Basis points change	Effect on profit before tax	Effect on equity	Basis points decrease: Basis points change	Effect on profit before tax	Effect on equity
Variable rate instruments	50	302	211	50	(302)	(211)

Credit risk
Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity's receivables from customers, subsidiaries and investment securities. The consolidated entity's exposure to credit risk can occur through the provision of trade credit (both within Australia and internationally), the provision of consignment stock facilities and the provision of bullion trading and settlement facilities. The Prudential Management Policy determines the levels of credit exposure the consolidated entity can take to various categories of customers and counterparties.

Trade and other receivables
The consolidated entity's exposure to credit risk is influenced mainly by the individual financial characteristics of each customer. The demographics of the consolidated entity's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. No significant percentage of the consolidated entity's revenue is attributable to sales transactions with a single customer. Geographically there is no concentration of credit risk.

The Audit & Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the consolidated entity's standard payment and delivery terms and conditions are offered. The review includes external ratings, when available, and in some cases bank references. Credit and settlement limits are established for each customer, which represents the maximum open amount without requiring approval from the Audit & Risk Management Committee; these limits are reviewed annually. Customers that fail to meet the consolidated entity's benchmark creditworthiness may transact with the consolidated entity only on a prepayment basis or against the provision of acceptable security such as letters of credit, bank guarantees and other forms of payment guarantees.

The majority of the trade and other receivables customers have been transacting with the consolidated entity for over four years, and losses have occurred infrequently. The consolidated entity's trade and other receivables relate mainly to wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list, and future sales are made on a prepayment basis.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the consolidated entity may have a secured claim. The consolidated entity may require collateral in respect of trade and other receivables.

The consolidated entity has established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific

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loss component that relates to individually significant exposures, and a collective loss component established for the group of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Consolidated	
	2013	2012
	$'000	$'000
Australia	10,368	7,880
United States	4,234	691
Europe	227	457
	14,829	9,028

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Consolidated	
	2013	2012
	$'000	$'000
Wholesale customers	14,829	9,028

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2013	2012
	$'000	$'000
Commercial bills	35,000	41,000
Trade receivables	14,829	9,028
Cash and cash equivalents	62,100	52,566
	111,929	102,594

Guarantees
The consolidated entity does not provide financial guarantees.

Liquidity risk
Prudent liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2013	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Precious metal borrowings – interest bearing	(43,829)	-	-	-	(43,829)
Trade payables	(82,093)	-	-	-	(82,093)
Precious metal borrowings – non interest bearing	(2,305,830)	-	-	-	(2,305,830)
Total non-derivatives	(2,431,752)	-	-	-	(2,431,752)

Consolidated - 2012	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Precious metal borrowings – interest bearing	(137,485)	-	-	-	(137,485)
Trade payables	(64,464)	-	-	-	(64,464)
Precious metal borrowings – non interest bearing	(2,903,861)				(2,903,861)
Total non-derivatives	(3,105,810)	-	-	-	(201,949)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
The following tables detail the consolidated entity's fair values of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Consolidated - 2013	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
	-	-	-	-
Total assets	-	-	-	-
Liabilities				
Precious metal borrowings – interest bearing	43,829	-	-	43,829
Precious metal borrowings – non interest bearing	2,305,830	-	-	2,305,830
Total liabilities	2,349,659	-	-	2,349,659

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Consolidated - 2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
	-	-	-	-
Total assets	-	-	-	-
Liabilities				
Precious metal borrowings – interest bearing	137,485	-	-	137,485
Precious metal borrowings – non interest bearing	2,903,861	-	-	2,903,861
Total liabilities	3,041,346	-	-	3,041,346

There were no transfers between levels during the financial year.

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the consolidated entity are as follows:

	2013		**2012**	
Consolidated	**Carrying amount $'000**	**Fair value $'000**	**Carrying amount $'000**	**Fair value $'000**
Assets				
	-	-	-	-
	-	-	-	-
Liabilities				
Precious metal borrowings - interest bearing	(43,829)	(43,829)	(137,485)	(137,485)
Precious metal borrowings - non interest bearing	(2,305,830)	(2,305,830)	(2,903,861)	(2,903,861)
	(2,349,659)	(2,349,659)	(3,041,346)	(3,041,346)

The $2,305,830 (2012:$2,903,861) of precious metal deposited by Perth Mint Depository clients (note 23) was used in operations by the consolidated entity as working inventory.

Note 31. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2013 $	**2012 $**
Short-term employee benefits	3,818	3,189
Post-employment benefits	338	303
	4,156	3,492

Total fees received by non-executive directors was $262,508 (2012: $277,950).

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Number of directors whose total of fees, salaries, superannuation and other benefits, received or due and receivable for the financial year, falls within the following bands:

	Consolidated	
	2013	**2012**
$0 - $10,000	1	1
$10,001 - $20,000	1	-
$40,001 - $50,000	4	4
$70,001 - $80,000	1	-
$90,001 - $100,000	-	1
$450,001 - $460,000	-	1
$470,001 - $480,000	1	-
$580,001 - $590,000	-	1
$610,001 - $620,000	1	-
	9	8

Number of senior officers other than directors whose total of fees, salaries, superannuation and other benefits, received or due and receivable for the financial year, falls within the following bands:

	Consolidated	
	2013	**2012**
$70,000 - $80,000	-	1
$80,000 - $90,000	1	-
$140,001 - $150,000	1	-
$150,001 - $160,000	-	1
$160,001 - $170,000	1	-
$170,001 - $180,000	-	1
$180,001 - $190,000	1	-
$190,001 - $200,000	-	1
$200,001 - $210,000	1	-
$210,001 - $220,000	-	1
$220,001- $230,000	1	-
$230,001 - $240,000	-	2
$230,001 - $240,000	-	-
$270,001 - $280,000	1	-
$280,001 - $290,000	1	2
$290,001 - $300,000	1	-
$300,001 - $310,000	2	-
$310,001 - $320,000	-	1
$330,001 - $340,000	1	-
	12	10

Note 32. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Office of the Auditor General, the auditor of the company:

	Consolidated	
	2013 $	2012 $
Other services - Office of the Auditor General		
Audit and review of financial statements and key performance indicators	200	210

Note 33. Contingent liabilities

In addition to the liabilities included in the financial statements, there is the following contingent liability.

In prior years, ground water contamination occurred at the Newburn site of the AGR Matthey refinery. The AGR Joint Venture partners (Western Australian Mint and Australian Gold Alliance Pty Ltd) were responsible for any remediation and restoration of the site. Pursuant to the dissolution of the AGR Matthey Partnership on 29 March 2010, Western Australian Mint has assumed full responsibility for any future liabilities. Expenses incurred to date have been expensed in the financial statements. It is difficult to estimate the future long-term costs, if any, of remediation. Hence it is not possible to quantify these as at 30 June 2013.

Note 34. Commitments

	Consolidated	
	2013 $'000	2012 $'000
Capital commitments - Property, plant and equipment		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	8,555	1,740
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	202	227
One to five years	250	436
	452	663

The operating lease commitments are for leases of computer equipment. The terms of these are various, with the maximum term being until June 2016. During 2013 $289,493 was recognised as an expense in the income statement in respect of operating leases (2012: $254,568).

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Note 35. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income	Gold Corporation	
	2013	**2012**
	$'000	**$'000**
Profit after income tax	29,550	34,526
Total comprehensive income	29,550	34,526

Statement of financial position	Gold Corporation	
	2013	**2012**
	$'000	**$'000**
Total current assets	3,120,547	3,101,680
Total assets	3,127,031	3,474,784
Total current liabilities	3,008,723	3,104,143
Total liabilities	3,015,444	3,373,391
Equity		
Issued capital	31,603	31,603
Retained profits	79,984	69,791
Total equity	111,587	101,394

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at balance date.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2.

Note 36. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

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Name of entity	Country of incorporation	Equity holding 2013 %	Equity holding 2012 %	Contribution to Consolidated results 2013 $'000	Contribution to Consolidated results 2012 $'000
Gold Corporation	Western Australia	100.00	100.00	3,900	1,199
Subsidiaries of Gold Corporation:					
GoldCorp Australia	Western Australia	100.00	100.00	18,619	20,079
Western Australian Mint	Western Australia	100.00	100.00	3,185	6,325
AGR Management Service Pty Ltd	Western Australia	100.00	100.00	-	-
				25,704	27,603

Note 37. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated 2013 $'000	Consolidated 2012 $'000
Profit after income tax expense for the year	25,704	27,603
Adjustments for:		
Depreciation and amortisation	5,533	4,798
Revaluation of land and buildings	(12)	400
Write off of property, plant and equipment	-	1,258
Net loss on disposal of property, plant and equipment	28	123
Inventory provision adjustment	14	(1,302)
Increase/(Decrease) in employee benefits	(246)	356
Income tax expense	10,631	12,481
Increase/(Decrease) in precious metal leases	(93,656)	(10,095)
Increase/(Decrease) in inventories	92,161	18,956
(Increase)/Decrease in prepayments	(449)	(187)
(Increase)/Decrease in receivables	(5,815)	(94)
Increase/(Decrease) in payables	17,804	(6,541)
Increase/(Decrease) in provisions	(896)	-
Net cash from operating activities	50,801	47,756

Note 38. Explanatory statement

Section 40 of the Financial Management Act requires statutory authorities to prepare annual budget estimates. Treasurer's Instruction 945 requires an explanation of significant variations between these estimates and actual results.

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The consolidated entity's business plans for 2012/13 projected an operating result before income tax equivalent of $33.860 million against an actual profit before income tax equivalent of $36.335 million. The most significant variations were:

- Better than anticipated sales of a variety of cast bullion bars, especially into the Asian region
- Better than expected anticipated silver refining volumes
- Stronger than anticipated interest in Depository storage facilities, driven in part by continuing uncertainty in world financial markets.

Variations from previous year

Treasurer's Instruction 945 requires an explanatory statement providing reasons for and the detailing of any significant variations between actual revenue and expenditure for the financial year and the corresponding item in the financial statements of the immediately preceding year. The most significant variations were:

Sales revenue

Sales revenue of $5.84 billion in 2012/13 was 14.4% lower than the $6.82 billion revenue in 2011/12 due to lower levels of both bullion coin sales and bullion product sales in Depository. Some of the lower levels of revenue were driven by investors rebalancing their portfolios away from precious metals into other asset classes, with the balance being attributable to falls in precious metals prices over the period.

Cost of sales

Cost of sales in 2012/13 of $5.76 billion was 14.3% lower than the $6.72 billion cost of sales in 2011/12, in line with the decrease in revenue.

Trading profit

Trading profit decreased to $81.6 million in 2012/13, 10.3% below the trading profit of $91.0 million in 2011/12. This is in line with the decreases in sales revenue and cost of sales.

Fees and Rents

Fees and Rents increased by 23.1% in 2012/13 due to increases in fees received in a number of business lines.

Employee Benefits expense

Employee benefits expense increased by $1.4 million (4.7%) to $31.1 million in 2012/13. This is attributable to additional staffing requirements and annual wage increases.

Materials and Services

Materials and services decreased to $28.5 million, down from $31.6 million in 2011/12 due to cost reduction initiatives in line with reduced sales revenue.