

# **GSF CORPORATION LIMITED**

**ABN 98 084 370 669**

## **FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**30 JUNE 2012**

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## COMPANY DIRECTORY

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<b>DIRECTORS:</b>	Mr Greg O'Reilly Mrs Nadine Donovan Mr William Witham
<b>COMPANY SECRETARY:</b>	Mr Jerry Monzu
<b>REGISTERED AND PRINCIPAL OFFICE:</b>	Suite B9, 431 Roberts Road, Subiaco WA 6008 Telephone: (08) 9287 4600 Facsimile: (08) 9287 4655
<b>AUDITORS:</b>	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
<b>SOLICITORS:</b>	Steinepreis Paganin Level 4, Next Building 16 Milligan Street Perth WA 6000
<b>SHARE REGISTRY:</b>	Link Market Services Limited Ground floor 178 St Georges Terrace Perth WA 6000 Telephone: 1300 554 474 or +61 8280 7111
<b>BANKERS:</b>	HSBC Bank Australia Limited Perth Branch, 188-190 St George's Terrace, Perth WA 6000
<b>ABN:</b>	98 084 370 669
<b>DOMICILE AND COUNTRY OF INCORPORATION:</b>	Australia
<b>LEGAL FORM OF ENTITY:</b>	Listed Public Company

Your Directors submit their report together with the financial report of GSF Corporation Limited ("the Company") for the year ended 30 June 2012.

**DIRECTORS**

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

As at the date of this report, the Company does not have an Audit, Remuneration or Nomination Committee of the Board of Directors. The full Board assumes the responsibilities of these individual committees. Given the size of the company it is felt that separate committees cannot be warranted but as the company grows these committees may be established. The current Directors do not have any special responsibilities with the exception of Mr O'Reilly who is the Chairman.

***Mrs Nadine Donovan***

Independent Non-Executive Director

Mrs Donovan graduated with a Bachelor of Business (Accounting and Finance) from Edith Cowan University (WA) and is CPA qualified.

Mrs Donovan has 19 years experience in financial accounting and corporate compliance with publicly listed entities. Mrs Donovan has experience in the biotechnology industry, power generation and oil and gas industries. During her career she has been involved in financial accounting, budget and tax management, compliance and regulatory ASX and ASIC reporting requirements and assisted in the restructure and re-listing processes of companies. Mrs Donovan currently holds no other directorships.

***Mr Greg O'Reilly***

Independent Non-Executive Director

Mr O'Reilly has over 20 years experience in financial and commercial management in the resources development industry. He holds a Bachelor of Science and Master of Business Administration degrees from the University of Western Australia and is a member of Chartered Secretaries Australia.

He has a wide ranging experience of resource project management and has held senior positions within WMC and Goldfields as well as having been CFO of an ASX listed entity. Currently he is a director of a number of unlisted investment companies.

Special Responsibilities: Chairman

***Mr William Witham***

Independent Non-Executive Director

Mr Witham has an Honours degree in Science (Geology) from UWA, and has over 20 years experience in the fields of exploration, management, investing and regional development and an in-depth understanding of the ways in which industry, government and financial markets operate. Mr Witham has worked in many countries, with extensive experience in mineral and oil and gas exploration, management, government relations and corporate finance. He is currently the Managing Director of Waratah Resources an ASX listed Company.

***Directorships of other listed companies during the past three years***

<b><i>Name</i></b>	<b><i>Company</i></b>	<b><i>Commenced</i></b>	<b><i>Ceased</i></b>
Mrs N Donovan	Alexium International Group Limited	31 March 2008	1 March 2010
	DSF International Holdings Limited	10 November 2008	10 May 2011
Mr G O'Reilly	Gleneagle Gold Limited	30 April 2010	15 June 2011
Mr W Witham	Waratah Resources Limited	2 June 2011	-
	DSF International Holdings Limited	10 November 2008	3 December 2010
	Whinnen Resources Limited	18 January 2007	16 September 2009

**Equity instrument disclosures relating to Directors of GSF Corporation Limited**

***Option holdings***

As at the date of this report the Directors (including their personally related parties) held the following options over ordinary shares in the Company as set out below.

**2012**

<b>Name</b>	<b>Balance at start of year</b>	<b>Granted during year as remuneration</b>	<b>Exercised during year</b>	<b>Other changes during year</b>	<b>Balance at end of year</b>	<b>Options Vested and exercisable at end of year</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Mr G O'Reilly	-	-	-	-	-	-
Ms N Donovan	-	-	-	-	-	-
Mr W Witham	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Equity instrument disclosures relating to Directors of GSF Corporation Limited  
(continued)*Option holdings*

2011

Name	Balance at start of year	Granted during year as remuneration	Exercised during year	Other changes during year	Balance at end of year	Options Vested and exercisable at end of year
	Number	Number	Number	Number	Number	Number
Mr G O'Reilly	-	-	-	-	-	-
Ms N Donovan	-	-	-	-	-	-
Mr W Witham	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

*Share holdings*

As at the date of this report the Directors (including their personally related parties) held the following ordinary shares in the Company as set out below. There were no shares granted during the reporting year as compensation.

2012

Name	Balance at start of year	Received during year on exercise of options	Other changes during year	Balance at end of year
	Number	Number	Number	Number
Mr G O'Reilly	2,760,000	-	-	2,760,000
Ms N Donovan	-	-	-	-
Mr W Witham	-	-	-	-
<b>Total</b>	<b>2,760,000</b>	-	-	<b>2,760,000</b>

2011

Name	Balance at start of year	Received during year on exercise of options	Other changes during year	Balance at end of year
	Number	Number	Number	Number
Mr G O'Reilly	2,760,000	-	-	2,760,000
Ms N Donovan	-	-	-	-
Mr W Witham	-	-	-	-
<b>Total</b>	<b>2,760,000</b>	-	-	<b>2,760,000</b>

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**COMPANY SECRETARY*****Mr Jerry Monzu***

Mr Monzu has over 20 years experience in publicly listed multinational corporations predominantly in the resources and mining sectors. He has previously held senior management positions in companies such as Woodside Energy and Normandy Mining.

Mr Monzu graduated with a Bachelor of Business (Accounting and Finance) from Curtin University and is a member of CPA Australia and Chartered Secretaries Australia.

**CORPORATE STRUCTURE**

GSF Corporation Limited is a company limited by shares that is incorporated and domiciled in Australia. The Company has one subsidiary, Ocean Premium Seafood Pty Ltd (Australian registered).

**PRINCIPAL ACTIVITY**

The Company through the Board of Directors continues to seek opportunities to invest in a suitable project. The Board scrutinized various projects during the year and is currently progressing an opportunity with Yowie Enterprises Pty Ltd (subject to shareholder and other regulatory approvals) being obtained and as further explained in the operating review. Currently the Company has no employees.

**OPERATING AND FINANCIAL REVIEW****Company overview**

During the year the Board continued to review projects that it felt complimented its defined strategy of seeking opportunities that would add value to the Company and benefit shareholders.

On 25 June 2010 the ASX suspended the quotation of the Company's securities. The ASX advised that the Company was in breach of listing rule 12.1 (level of an entity's operations must be sufficient to warrant continued quotation) and 12.3 (Cash box rule).

On 31 July 2012 GSF announced to the ASX that it had entered into a binding term sheet with Yowie Enterprises Pty Ltd (**Yowie**) and its shareholders to acquire all of the shares and options in Yowie. Yowie is an Australian company with trade mark rights for Yowie Products across a number of markets, including Australia and New Zealand where the products have had previous strong commercial success.

GSF will shortly issue a prospectus whereby GSF offers investors the opportunity to subscribe for 10,000,000 Shares at an issue price of \$0.20 per Share, together with one free-attaching Option exercisable at \$0.20 each on or before 1 December 2015 for every two (2) Shares issued, to raise \$2,000,000. The Company may accept over-subscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share, together with one free-attaching Option exercisable at \$0.20 each on or before 1 December 2015 for every two (2) Shares issued, to raise up to a further \$2,000,000.

**Company overview (continued)**

A priority offer of 5,000,000 Shares at an issue price of \$0.20 per Share will be made available to existing GSF Shareholders.

Due to the proposed change in the nature and scale of the Company's activities, the Company is required to re-comply with Chapters 1 and 2 and 11 of the ASX Listing Rules.

Subject to GSF shareholders passing the resolutions contained within the Notice of Meeting at a general meeting of the Company to be held in October 2012, GSF will acquire 100% of Yowie and change its name to more correctly reflect the industry and new venture that it is embarking upon.

The Directors were not paid during the year and the accrual for unpaid directors' fees relating to the 2010 and 2011 financial years was reversed. Future directors' fees will only be paid should a suitable project be introduced into the Company.

**Operating results for the year and financial position**

The Group's net loss attributable to members of the Company for the financial year ended 30 June 2012 was \$65,564 (financial year ended 30 June 2011: \$156,814).

The primary loss was due to expenses relating to compliance costs and maintaining the Company's listing on the ASX. Also during the period \$62,000 for accrued directors fees were reversed as criteria set for the payment of these fees were not met.

As at 30 June 2012 the Group's consolidated cash position was \$63,624 (30 June 2011: \$191,980) and the Company had 453,424,164 shares on issue.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

In the opinion of the Directors, there were no matters that significantly affected the state of affairs of the Company during the financial year, other than those referred to in the review of operations.

**DIVIDENDS**

The Directors recommend that no amount be paid by way of dividend. No dividend has been paid or declared since the end of the financial year.



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**UNISSUED SHARES UNDER OPTION***Unissued shares*

As at the date of this report there were no unissued ordinary shares under option.

No options were issued to Directors during the year to 30 June 2012.

*Shares issued as a result of the exercise of options*

There were no options exercised during the financial year.

**EVENTS SUBSEQUENT TO BALANCE DATE**

On 31 July 2012 GSF announced to the ASX that it had entered into a binding term sheet with Yowie Enterprises Pty Ltd (**Yowie**) and its shareholders to acquire all of the shares and options in Yowie. Yowie is an Australian company with trade mark rights for Yowie Products across a number of markets, including Australia and New Zealand where the products have had previous strong commercial success.

GSF will shortly issue a prospectus whereby GSF offers investors the opportunity to subscribe for 10,000,000 Shares at an issue price of \$0.20 per Share, together with one free-attaching Option exercisable at \$0.20 each on or before 1 December 2015 for every two (2) Shares issued, to raise \$2,000,000. The Company may accept over-subscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share, together with one free-attaching Option exercisable at \$0.20 each on or before 1 December 2015 for every two (2) Shares issued, to raise up to a further \$2,000,000.

A priority offer of 5,000,000 Shares at an issue price of \$0.20 per Share will be made available to existing GSF Shareholders.

**LIKELY DEVELOPMENTS**

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this annual financial report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

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**REMUNERATION REPORT (audited)**

This Remuneration Report outlines the Director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

This report outlines the remuneration arrangements in place for Directors and Key Management Personnel of GSF Corporation Limited.

**Details of key management personnel (including the highest paid executives of the Company and Group)**

- Ms Nadine Donovan – Non-Executive Director (appointed 8 October 2008, resigned 15 January 2009, reappointed 31 July 2009)
- Mr Greg O'Reilly – Non-Executive Director (appointed 13 July 2009)
- Mr William Witham – Non-Executive Director (appointed 31 July 2009)

**Remuneration Policy**

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and Executive Officers. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Such officers are paid their base emolument in cash only.

To assist in achieving these objectives, the Board will link the nature and amount of executive Directors' and officers' emoluments to the Company's financial and operational performance. Currently the Board has not set any targets.

Remuneration paid to the Company's Directors and executives is also determined with reference to the market level of remuneration for other listed companies in Australia operating in a similar industry. This assessment is undertaken with reference to advice and comment provided by various executive search firms operating in the sector.

Executive Officers are those directly accountable for the operational management and strategic direction of the Company.

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**REMUNERATION REPORT (audited) (continued...)****Remuneration Policy (continued...)**

Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Company does not have a separately established remuneration committee. The functions that would be performed by a remuneration committee are currently performed by the full Board.

*Fixed remuneration*

Fixed remuneration consists of a base remuneration package, which includes Directors' fees (in the case of Directors), salaries, consulting fees and employer contributions to superannuation funds.

Fixed remuneration levels for Directors and executive officers will be reviewed annually by the Board through a process that considers the employee's personal development, achievement of key performance objectives for the year, industry benchmarks wherever possible and CPI data.

Total remuneration for non-executive Directors is determined by resolution of shareholders. The Board determines actual payments to Directors and reviews their remuneration annually, based on independent external advice, relativities and the duties and accountabilities of the Directors. The maximum available aggregate remuneration approved for non-executive Directors is \$200,000. Non-executive Directors do not receive any other retirement benefits other than a superannuation guarantee contribution required by government regulation, which is currently 9% of their fees.

Non-executive Directors may provide specific consulting advice to the Company upon direction from the Board. Remuneration for this work is made at market rates.

*Performance-linked remuneration*

All employees may receive bonuses and/or share options based on achievement of specific goals related to performance against individual KPIs and to the performance of the Company as a whole as determined by the Directors based on a range of factors. These factors include traditional financial considerations such as operating performance, cash consumption, deals concluded, increase in the market capitalisation of the Company and successful capital raisings and also industry-specific factors. There have been no KPIs set during the year or the prior year and as the past performance of the Company is volatile no link between Company performance and executive remuneration has been set.

**REMUNERATION REPORT (audited) continued**

**Elements of Director and executive remuneration**

Remuneration packages may contain the following key elements:

- a) Short-term benefits – salary / fees, bonuses and other benefits;
- b) Post-employment benefits – including superannuation; and
- c) Share-based payments – no Employee Share Option Plan is currently in existence, however the Company may choose to remunerate Directors and executives by the grant of options in the future, subject to shareholder approval.

The Company does not have a policy in place relating to the executives limiting their exposure to risk in relation to the Company's equity instruments.

The following table discloses the remuneration of the key management personnel during the financial year:

**2012**

	Short-term benefits			Post-employment	Share-based payments	Total	Proportion related to performance
	Salary and fees	Bonus	Other benefits	Super-annuation			
	\$	\$	\$	\$	\$	\$	%
<b>Directors</b>							
Mr G O'Reilly <sup>1</sup>	(22,000)	-	-	-	-	(22,000)	-
Ms N Donovan <sup>1</sup>	(22,000)	-	-	-	-	(22,000)	-
Mr W Witham <sup>1</sup>	(18,000)	-	-	-	-	(18,000)	-
<b>Total</b>	<b>(62,000)</b>	-	-	-	-	<b>(62,000)</b>	-

1 The negative amounts represent the reversal of accruals for unpaid directors' fees relating to the 2010 and 2011 financial years. The directors' fees were only to be paid only upon the successful introduction of a project into GSF Corporation Limited. As this did not occur, the accruals were reversed during the year ended 30 June 2012. These amounts will not be payable in the future.

**REMUNERATION REPORT (audited) continued**

**2011**

	Short-term benefits			Post-employment	Share-based payments	Total	Proportion related to performance
	Salary and fees	Bonus	Other benefits	Super-annuation			
	\$	\$	\$	\$	\$	\$	%
<b>Directors</b>							
Mr G O'Reilly <sup>1</sup>	12,000	-	-	-	-	12,000	-
Ms N Donovan <sup>1</sup>	12,000	-	-	-	-	12,000	-
Mr W Witham <sup>1</sup>	12,000	-	-	-	-	12,000	-
<b>Total</b>	<b>36,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,000</b>	<b>-</b>

1 The Directors were not paid any directors' fees and these amounts were accrued to be paid only upon the successful introduction of a project into GSF Corporation Limited.

**Value of options issued to Directors and executives**

No options were granted to Directors of the Company as remuneration during the years ended 30 June 2012 and 30 June 2011.

**Employment contracts**

The Company has entered into standard appointment agreements with Non Executive Directors. These agreements provide for an indefinite period of appointment subject to reappointment requirements at annual general meetings under the terms of the constitution. The employment may be terminated pursuant to the Corporations Act and the Company's Constitution, in certain prescribed circumstances (such as bankruptcy, conviction of an offence, unsound mind). The Director may resign by notice in writing at any time. There are no termination benefits specified in the agreements.

**Company performance**

The table below shows the performance of the Company over the last five years.

	2012 \$	2011 \$	2010 \$	2009 \$	2008 \$
Net (loss)	(65,564)	(156,814)	(192,504)	(938,473)	(3,737,100)
Closing share price	0.001	0.001	0.001	0.003	0.021

On 25 June 2010 the ASX suspended the quotation of the Company's securities. The last traded price for GSF was 0.01 cents.

The Directors recommend that no amount be paid by way of dividend. No dividend has been paid or declared since the end of the financial year.

**END OF REMUNERATION REPORT**

**DIRECTORS' MEETINGS**

The number of Directors' meetings held and number of meetings attended by each of the Directors of the Company during the financial year were as follows:

	<i>Eligible to attend</i>	<i>Attended</i>
Mr G O'Reilly	3	3
Mrs N Donovan	3	3
Mr W Witham	3	2

**INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

During the financial year, the Company maintained an insurance policy which indemnifies the Directors and Officers of GSF Corporation Limited in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Company to the extent permitted by the Corporations Act 2001. The Company's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

**NON-AUDIT SERVICES**

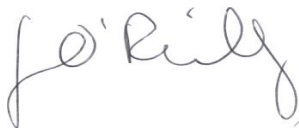
During the year no non-audit services were provided by the Company's auditor, BDO Audit (WA) Pty Ltd.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration is included on page 25 of the financial report.

Dated this 21 day of September 2012.

Signed in accordance with a resolution of the Directors.



**Greg O'Reilly**  
Director

**GSF Corporation's Board and Corporate Governance**

The Board of Directors of GSF Corporation Limited is responsible for the corporate governance of the Company and is committed to applying the ASX Corporate Governance Council *Corporate Governance Principles and Recommendations* ("ASX Principles") where practicable. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders. It is a requirement of the Board that the Company maintains high standards of ethics and integrity at all times.

The ASX Principles are an important regulatory guide for listed companies reporting on their corporate governance practices. Under ASX Listing Rule 4.10.3, listed companies must disclose the extent to which they have followed the ASX Principles, and if any of the recommendations have not been followed then the Company must explain why not.

The requirements under Listing Rule 4.10.3 apply to GSF Corporation for the year ended 30 June 2012 and this corporate governance statement sets out and explains any departures by the Company from the ASX Principles.

**The Role of the Board and the Board Charter***The Board's Duties*

As the Board acts on behalf of and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations and strives to meet those expectations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The role of the Board is to oversee and guide the management of GSF Corporation with the aim of protecting and enhancing the interests of its shareholders and taking into account the interests of other stakeholders including employees and the wider community.

The Board has adopted a formal Charter which clearly establishes the relationship between the Board and management and describes their functions and responsibilities.

The Board is responsible for setting the strategic direction of the Company, establishing goals for management and monitoring the achievement of those goals. The Company currently does not have a significant business that warrants delegation of powers to a Chief Executive Officer ("CEO") of the day-to-day management of the Company and its operations, and therefore the Board currently has responsibility for the duties that would normally be carried out by management. The Charter sets out the responsibilities of a CEO if one was so appointed.

*Code of Conduct*

Directors of the Company are also subject to GSF Corporation's Code of Conduct. The Code of Conduct is considered by the Board to be an effective way to guide the behaviour of all Directors and employees and demonstrates the Company's commitment to ethical and compliant practices.

**The Composition of GSF Corporation's Board**

The composition of the Board is determined in accordance with the following principles and guidelines:

- the Board should comprise at least 3 Directors;
- the Board should comprise Directors with an appropriate range of qualifications and expertise; and
- the Board shall meet regularly and follow meeting guidelines set down to ensure all Directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items.

As at the date of this report, the Board comprises three independent non-executive Directors. Details of the Directors are set out in the Directors' Report.

*Independence of Directors*

The Board has reviewed the position and associations of each of the three Directors in office at the date of this report and considers that all Directors are independent. In considering whether a Director is independent, the Board has regard to the independence criteria in ASX Corporate Governance Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new Directors upon appointment and reviews their independence, and the independence of other Directors, as appropriate.

The Board considers that Mr O'Reilly meets the criteria in Principle 2.1. He has no material business or contractual relationship with the Company, other than as a Director, and no conflicts of interest which could interfere with the exercise of independent judgement. Accordingly, he is considered to be independent.

The Board considers that Mrs Donovan meets the criteria in Principle 2.1. She has no material business or contractual relationship with the Company, other than as a Director, and no conflicts of interest which could interfere with the exercise of independent judgement. Accordingly, she is considered to be independent.

The Board considers that Mr Witham meets the criteria in Principle 2.1. He has no material business or contractual relationship with the Company, other than as a Director, and no conflicts of interest which could interfere with the exercise of independent judgement. Accordingly, he is considered to be independent.

The qualifications and period of office held by each Director can be found in the Director's report. The Directors will continue to monitor the composition of the Board to ensure its structure remains appropriate and consistent with effective management and good governance.



**Appointment, Election and Re-Election of Directors**

The Constitution of the Company requires one third of the Directors, other than the Managing Director, to retire from office at each Annual General Meeting. Directors who have been appointed by the Board are required to retire from office at the next Annual General Meeting and are not taken into account in determining the number of Directors to retire at that Annual General Meeting. Directors cannot hold office for a period in excess of three years or later than the third Annual General Meeting following their appointment without submitting themselves for re-election. Retiring Directors are eligible for re-election by shareholders.

**Nomination and Appointment of New Directors**

Recommendations of candidates for new Directors are made by the Directors for consideration by the Board as a whole. If it is necessary to appoint a new Director to fill a vacancy on the Board or to complement the existing Board, a wide potential base of possible candidates is considered. If a candidate is recommended by a director, the Board assesses that proposed new director against a range of criteria including background, experience, professional skills, personal qualities, the potential for the candidate's skills to augment the existing Board and the candidate's availability to commit to the Board's activities. If these criteria are met and the Board appoints the candidate as a director, that director must retire at the next following General Meeting of Shareholders and will be eligible for election by shareholders at that General Meeting.

**GSF Corporation's Board Meetings**

The Board met 3 times between 1 July 2011 and 30 June 2012.

The Board meets formally throughout the year at scheduled meetings, and from time to time meetings are convened outside the scheduled dates to consider issues of importance.

Directors' attendance at Board meetings is detailed on page 14 of this annual report.

**Performance Review**

The Board has not adopted any formal procedures for the review of the performance of the Board, however the Board has committed to an informal assessment process, facilitated in consultation with GSF Corporation's professional advisors, which is currently considered to meet the Board's obligations sufficiently.

The Board aims to ensure that shareholders are informed of all information necessary to assess the performance of the Directors. Information is communicated to the shareholders through:

- the annual report which is distributed to all shareholders;
- the half-yearly report;

**Performance Review (continued)**

- the annual general meeting and other meetings to obtain shareholder approval for Board actions as appropriate; and
- continuous disclosure in accordance with ASX Listing Rule 3.1 and the Company's continuous disclosure policy.

**Board Members' Rights to Independent Advice**

The Board has procedures to allow Directors, in the furtherance of their duties as Directors or members of a Committee, to seek independent professional advice at the Company's expense, subject to the prior written approval of the Chairman.

**Audit Committee**

Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board has not established an audit committee, however meetings are held throughout the year between the Company Secretary and the Company's auditors to discuss the Company's ongoing activities and any proposed changes prior to their implementation and to seek advice in relation thereto. Accordingly the Company was not in compliance with Principle 4.1 during the financial year.

**Nomination Committee**

The functions that would be performed by a nomination committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 2.4 during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

**Remuneration Committee**

The functions that would be performed by a remuneration committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 8.1 during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

*Remuneration for Directors and executives*

A brief discussion on the Company's remuneration policies in respect of Directors and executives is set out in the audited Remuneration Report contained in the Directors' Report. Detailed disclosure of the remuneration paid to the Company's Directors and executives is set within the Remuneration Report section of this annual report.

### **Integrity in Financial Reporting**

Consistent with ASX Principle 7.3, the Company's financial report preparation and approval process for the financial year ended 30 June 2012 involved Mr Jerry Monzu, Company Secretary and Mr Greg O'Reilly, Chairman and Non-Executive Director providing detailed representations to the Board covering:

- compliance with the Company's accounting policies and relevant accounting standards;
- the accuracy of the financial statements and that they provide a true and fair view;
- integrity and objectivity of the financial statements; and
- effectiveness of the system of internal control.

### **Risk Identification and Management**

The Board accepts that taking and managing risk is central to building shareholder value and the Board is responsible for the Company's risk management strategy. Management is responsible for implementing the Board's strategy and for developing policies and procedures to assist the Board to identify, manage and mitigate the risks across GSF Corporation's operations.

The Company retains consultants with the requisite experience and qualifications to enable the Board to manage the risks to the Company. The Board reviews risks to the Company at regular Board meetings.

### **Securities Trading by Directors and Employees**

GSF Corporation adopted a Share Trading Policy on 15 December 2010. The policy summarises the law relating to insider trading and sets out the policy of the Company on Directors, officers, employees and consultants dealing in securities of the Company.

This policy is provided to all Directors and employees and compliance with it is reviewed on an ongoing basis in accordance with the Company's risk management systems.

### **Continuous Disclosure**

GSF Corporation has established policies and procedures in order to comply with its continuous and periodic disclosure requirements under the *Corporations Act 2001* (Commonwealth) and the ASX Listing Rules. The Board has in place a formal Continuous Disclosure Policy which was adopted on 15 August 2012, and is consistent with the informal policies and practices of the Board that were in place prior to the formal adoption of the Continuous Disclosure Policy document.

The Company Secretary has primary responsibility for the disclosure of material information to ASIC and ASX and maintains a procedural methodology for disclosure, as well as for record keeping.

**Continuous Disclosure (continued)**

The Policy also sets out what renders information material. The Board reviews the Company's compliance with this policy on an ongoing basis and will update it from time to time, if necessary.

**Shareholder Communications**

The Board's formal policy on communicating with shareholders is its Shareholder Communications Policy. The aim of the Shareholder Communications Policy is to make known GSF Corporation's methods for disclosure to shareholders and the general public. The Policy details the steps between disclosure to ASIC and ASX and communication to shareholders.

The Board reviews this policy and compliance with it on an ongoing basis.

To add further value to the Company's communications with shareholders, the external auditor will be requested to attend the Company's AGM and be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

**Conduct and Ethics**

The GSF Corporation Code of Conduct was adopted on 15 August 2012. The Code covers a broad range of issues and refers to those practices necessary to maintain confidence in the Company's integrity, including procedures in relation to:

- compliance with the law;
- financial records;
- contributions to political parties, candidates or campaigns;
- occupational health and safety;
- confidential information;
- conflict of interest;
- efficiency;
- equal opportunity;
- corporate bribery; and
- membership to industry and professional associations.

**Diversity Policy**

The Company and all its related bodies corporate have established a Diversity Policy as part of the overall Corporate Governance Plan which was formally adopted on 15 August 2012.

The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

**Diversity Policy (continued)**

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

The Diversity Policy does not form part of an employee's contract of employment with The Company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, the Diversity Policy forms a direction of the Company with which an employee is expected to comply.

**OBJECTIVES**

The Diversity Policy provides a framework for the Company to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The Diversity Policy does not impose on the Company, its directors, officers, agents or employee any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

**RESPONSIBILITIES*****The Board's commitment***

The Board is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level of the Company and on the Board.

The Board is responsible for developing measurable objectives and strategies to meet the Objectives of the Diversity Policy (**Measurable Objectives**) and monitoring the progress of the Measurable Objectives through the monitoring, evaluation and reporting mechanisms listed below.

**Diversity Policy (continued)**

The Board may also set Measurable Objectives for achieving gender diversity and monitor their achievement.

The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.

**Strategies**

The Company's diversity strategies include:

- recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
- reviewing succession plans to ensure an appropriate focus on diversity;
- identifying specific factors to take account of in recruitment and selection processes to encourage diversity;
- developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development;
- developing a culture which takes account of domestic responsibilities of employees; and
- any other strategies the Board develops from time to time.

**MONITORING AND EVALUATION**

The Chairman will monitor the scope and currency of this policy.

The Company is responsible for implementing, monitoring and reporting on the Measurable Objectives.

Measurable Objectives if set by the Board will be included in the annual key performance indicators for the Chief Executive Officer / Managing Director and senior executives.

In addition, the Board will review progress against the Objectives (if set) as a key performance indicator in its annual performance assessment.

**Diversity Policy (continued)**

REPORTING

The Board may include in the Annual Report each year:

- the Measurable Objectives, if any, set by the Board;
- progress against the Objectives; and
- the proportion of women employees in the whole organisation, at senior management level and at Board level.

21 September 2012

Board of Directors  
GSF Corporation Limited  
Unit B9, 431 Roberts Road  
Subiaco WA 6008

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF  
GSF CORPORATION LIMITED**

As lead auditor of GSF Corporation Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of GSF Corporation Limited and the entity it controlled during the period.



**Brad McVeigh**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth, Western Australia



**STATEMENT OF COMPREHENSIVE INCOME** FOR THE YEAR ENDED 30 JUNE 2012  
**GSF CORPORATION LIMITED**

	Note	Consolidated	
		2012	2011
		\$	\$
Revenues from continuing operations	6	581	4,810
Other income	6	62,185	-
Administration expenses	7	<u>(128,863)</u>	<u>(161,951)</u>
Loss before income tax		<b>(66,097)</b>	(157,141)
Income tax expense	9	<u>-</u>	<u>-</u>
Loss after income tax from continuing operations for the year		<u><b>(66,097)</b></u>	<u>(157,141)</u>
Loss attributable to:			
Non-controlling interest		<b>(533)</b>	(327)
Members of the parent company		<u><b>(65,564)</b></u>	<u>(156,814)</u>
		<u><b>(66,097)</b></u>	<u>(157,141)</u>
Other comprehensive loss		<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year net of tax</b>		<u><b>(66,097)</b></u>	<u>(157,141)</u>
Total comprehensive loss for the year is attributable to:			
Owners of GSF Corporation Limited		<b>(65,564)</b>	(156,814)
Non-controlling interest		<u><b>(533)</b></u>	<u>(327)</u>
		<u><b>(66,097)</b></u>	<u>(157,141)</u>
Loss per share attributable to members of the Company			
Basic loss per share (cents)	10	<u><b>(0.01)</b></u>	<u>(0.03)</u>
Diluted loss per share (cents)	10	<u><b>(0.01)</b></u>	<u>(0.03)</u>

This statement of comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

**STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2012  
GSF CORPORATION LIMITED

	Note	Consolidated	
		2012	2011
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	17(a)	63,624	191,980
Trade and other receivables	11	1,126	425
Other current assets	12	5,218	5,780
<b>Total Current Assets</b>		<b>69,968</b>	<b>198,185</b>
<b>Total Assets</b>			
		<b>69,968</b>	<b>198,185</b>
<b>Current Liabilities</b>			
Trade and other payables	13	17,301	79,421
<b>Total Current Liabilities</b>		<b>17,301</b>	<b>79,421</b>
<b>Total Liabilities</b>			
		<b>17,301</b>	<b>79,421</b>
<b>Net Assets</b>			
		<b>52,667</b>	<b>118,764</b>
<b>Equity</b>			
Contributed equity	14(a)	-	-
Accumulated losses		(1,371,090)	(1,305,526)
Reserves		1,424,233	1,424,233
<b>Parent interests</b>		<b>53,143</b>	<b>118,707</b>
Non-controlling interest	16	(476)	57
<b>Total Equity</b>		<b>52,667</b>	<b>118,764</b>

This statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

**STATEMENT OF CHANGES IN EQUITY**

 FOR THE YEAR ENDED 30 JUNE 2012  
 GSF CORPORATION LIMITED

	Contributed equity	Option Premium Reserve	Consolidated Accum- ulated losses	Non- controlling interest	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2011</b>	-	1,424,233	(1,305,526)	57	118,764
Loss for the year	-	-	(65,564)	(533)	(66,097)
<b>Total comprehensive Income/(loss) for the year</b>	-	-	(65,564)	(533)	(66,097)
<b>Transactions with owners recorded directly in equity</b>					
Total transactions with owners:	-	-	-	-	-
<b>Balance as at 30 June 2012</b>	-	1,424,233	(1,371,090)	(476)	52,667
<b>Balance at 1 July 2010</b>	-	1,424,233	(1,148,712)	384	275,905
Loss for the year	-	-	(156,814)	(327)	(157,141)
<b>Total comprehensive Income/(loss) for the year</b>	-	-	(156,814)	(327)	(157,141)
<b>Transactions with owners recorded directly in equity</b>					
Total transactions with owners:	-	-	-	-	-
<b>Balance as at 30 June 2011</b>	-	1,424,233	(1,305,526)	57	118,764

This statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

**STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 30 JUNE 2012  
GSF CORPORATION LIMITED

	<b>Note</b>	<b>Consolidated</b>	
		<b>2012</b>	<b>2011</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flow from operating activities</b>			
Payments to suppliers and employees		<b>(128,937)</b>	(134,014)
Income tax received		-	995
Interest received		<b>581</b>	3,814
<b>Net cash flows used in operating activities</b>	17(b)	<b>(128,356)</b>	<b>(129,205)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(128,356)</b>	(129,205)
Cash and cash equivalents at beginning of period		191,980	321,185
<b>Cash and cash equivalents at end of period</b>	17(a)	<b>63,624</b>	191,980

This statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

## 1. CORPORATE INFORMATION

GSF Corporation Limited (“the Company”) is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. These financial statements are presented in Australian dollars. The financial report was authorised for issue by the Directors on 21 September 2012 in accordance with a resolution of the Directors.

The nature of the operations and principal activities of the Company are described in the Directors’ Report.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial Statements are a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Accounting Interpretations. The financial Statements have been prepared on a historical cost basis.

The financial Statements are presented in Australian dollars.

The group financial statements of GSF Corporation Limited also comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

### Going Concern

On 25 June 2010, the ASX imposed a suspension on the quotation of the Company’s securities as a result of the Company being in breach of listing rule 12.1 (level of an entities operations must be sufficient to warrant continued quotation) and 12.3 (cash box rule).

On 31 July 2012 GSF announced to the ASX that it had entered into a binding term sheet with Yowie Enterprises Pty Ltd (**Yowie**) and its shareholders to acquire all of the shares and options in Yowie. Yowie is an Australian company with trade mark rights for Yowie Products across a number of markets, including Australia and New Zealand where the products have had previous strong commercial success.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)**

GSF will shortly issue a prospectus whereby GSF offers investors the opportunity to subscribe for shares and options with a view to potentially raising up to A\$4 million for this transaction.

The Directors are aware that should the Company fail to raise the required funds to progress with this transaction the Company will not continue as a going concern.

As the Company may not have sufficient cash to continue as a going concern for the next 12 months, the accounts have been prepared on a liquidation basis. Assets have been recorded at their recoverable amount and all assets and liabilities have been classified as current.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(b) Statement of compliance****(i) New and amended standards adopted by the Group**

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2011:

- AASB 124 (Revised) Related Party Disclosures (December 2009)
- AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]
- AASB 1054 Australian Additional Disclosures
- AASB 2010-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 1, 7, 101, 134 and Interpretation 13]
- AASB 2010-5: Amendments to Australian Accounting Standards [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]
- AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASBs 1 & 7]
- AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project [AASBs 1, 5, 101, 107, 108, 121, 128, 132, 134 and Interpretations 2, 112 & 113]

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

**(ii) New accounting standards and interpretations issued but not yet effective**

New accounting standards and interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the reporting period ending 30 June 2012 are outlined in the following table.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)**

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 10	Consolidated Financial Statements	<p>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.</p> <p>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.</p> <p>Consequential amendments were also made to other standards via AASB 2011-7.</p>	1 January 2013	1 July 2013
AASB 11	Joint Arrangements	<p>AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG-113 Jointly – controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give ventures a right to the underlying assets and obligations themselves are accounted for by recognising the share of assets and obligations. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method.</p> <p>Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128.</p>	1 January 2013	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	<p>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 judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.</p>	1 January 2013	1 July 2013



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 9 Financial Instruments	Amendments to Australian Accounting Standards – Financial Instruments and its associated amending standards	<p>AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2012-7 to reflect amendments to the accounting for financial liabilities.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.</p> <p>(a) Financial assets are debt instruments will be classified based on:</p> <ol style="list-style-type: none"> <li>(1) The objective of the entity's business model for managing the financial assets;</li> <li>(2) The characteristics of the contractual cash flows.</li> </ol> <p>(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> <li>➤ The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</li> <li>➤ The remaining change is presented in profit or loss</li> </ul> <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect if the changes in credit risk are also presented in profit and loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.</p>	1 January 2015	1 July 2015

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)**

<b>Reference</b>	<b>Title</b>	<b>Summary</b>	<b>Application date of standard</b>	<b>Application date for Group</b>
AASB 13	Fair Value Measurement	<p>AASB 13 establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for relevant assets.</p> <p>AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.</p> <p>Consequential amendments were also made to other standards via AASB 2011-8.</p>	1 January 2013	1 July 2013
AASB 1053	Application of Tiers of Australian Accounting Standards	<p>This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:</p> <ul style="list-style-type: none"> <li>• Tier 1: Australian Accounting Standards</li> <li>• Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements</li> </ul> <p>Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.</p> <p>The following entities apply Tier 1 requirements in preparing general purpose financial statements:</p> <ul style="list-style-type: none"> <li>(a) For-profit entities in the private sector that have public accountability (as defined in this Standard)</li> <li>(b) The Australian Government and State, Territory and Local Governments</li> </ul> <p>The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:</p> <ul style="list-style-type: none"> <li>(a) For-profit private sector entities that do not have public accountability</li> <li>(b) All not-for-profit private sector entities</li> <li>(c) Public sector entities other than the Australian Government and State, Territory and Local Governments.</li> </ul> <p>Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11 and 2012-1.</p>	1 July 2013	1 July 2013

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)**

<b>Reference</b>	<b>Title</b>	<b>Summary</b>	<b>Application date of standard</b>	<b>Application date for Group</b>
AASB 119	Employee Benefits	<p>The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and reduces that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets.</p> <p>The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.</p> <p>Consequential amendments were also made to other standards via AASB 2011-10.</p>	1 January 2013	1 July 2013
AASB 2010-8	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 12]	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.	1 January 2012	1 July 2012
AASB 2011-9	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 are potentially reclassifiable to profit or loss subsequently.	1 July 2012	1 July 2012
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies.	1 July 2013	1 July 2013
IFRS	Mandatory Effective Date of IFRS 9 and Transition Disclosures	Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	1 January 2015	1 July 2015

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)**

Reference	Title	Summary	Application date of standard	Application date for Group
Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	<p>This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the “stripping activity asset”.</p> <p>The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate.</p> <p>Consequential amendments were also made to other standards via AASB 2011-12.</p>	1 January 2013	1 July 2013
AASB 2012-5	Annual Improvements to the IFRS 2009-2011 Cycle	<p>These amendments to International Financial Reporting Standards have not yet been adopted by the AASB. The items addressed include:</p> <p>IFRS 1 First-Time Adoption of International Financial Reporting Standards</p> <ul style="list-style-type: none"> <li>• Repeated application of IFRS 1</li> <li>• Borrowing costs</li> </ul> <p>IAS 1 Presentation of Financial Statements:</p> <ul style="list-style-type: none"> <li>• Clarification of the requirements for comparative information</li> </ul> <p>IAS 16 Property, Plant and Equipment: classification of servicing equipment.</p> <ul style="list-style-type: none"> <li>• Classification of servicing equipment</li> </ul> <p>IAS 32 Financial Instruments: Presentation: tax effect of distribution to holders of equity instruments</p> <ul style="list-style-type: none"> <li>• Tax effect of distribution to holders of equity instruments</li> </ul> <p>IAS 34 Interim Financial Reporting: interim financial reporting and segment information for total assets and liabilities.</p> <ul style="list-style-type: none"> <li>• Interim financial reporting and segment information for total assets and liabilities</li> </ul>	1 January 2013	1 July 2013

The impact of the adoption of these new and revised standards and interpretations has not been determined by the Group.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(c) Basis of consolidation**

The consolidated financial statements comprise the financial statements of GSF Corporation Limited and its subsidiary as at 30 June 2012 (the Group).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Non controlling interests not held by the Group are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

**(d) Foreign currency translation*****Functional and presentation currency***

The functional currency of GSF Corporation Limited and its subsidiary is Australian dollars (\$). The presentation currency of GSF Corporation Limited is Australian dollars (\$).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(d) Foreign currency translation (continued...)*****Transactions and balances***

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to the Statement of Comprehensive Income.

**(e) Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity 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.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the Statement of Financial Position.

**(f) Trade and other receivables**

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt.

**(g) Trade and other payables**

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(h) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability.

**(i) Contributed equity**

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.

**(j) Revenue recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

*Interest revenue*

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 revenue 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(k) Income tax and other taxes**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(k) Income tax and other taxes (continued...)**

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Current and deferred tax Income is recognised in the Statement of Financial Position, except to the extent that it relates to items recognised in other comprehensive income or direct in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

***Other taxes***

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation 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 recoverable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

**(l) Share-based payment transactions**

The Group provides benefits to Directors, employees and consultants in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with Directors, employees and consultants is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate valuation model. There have been no share-based payments during the current year.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(l) Share-based payment transactions (continued...)**

In valuing equity-settled transactions, no account is taken to any vesting conditions, other than conditions linked to the price of the shares of the Company if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity on the date the equity right is granted.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted loss per share.

**(m) Loss per share**

Basic loss per share is calculated as net profit or loss attributable to members of the parent entity, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares of the Company, adjusted for any bonus element.

Diluted loss per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(n) Investments in other financial assets*****Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables and receivables in the statement of financial position.

**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instruments comprise cash and cash equivalents, receivables and payables.

The net fair values of the financial assets and liabilities at balance date of the Group approximate the carrying amounts in the financial statements, except where specifically stated.

The Group manages its exposure to key financial risks, including interest rate, foreign currency risk, credit risk and liquidity risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued...)****Risk exposures and responses***Interest rate risk*

The Group's exposure to market interest rates relates primarily to the Group's cash and short-term deposits.

At balance date, the Group had the following financial assets exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

<b>Consolidated</b>	<b>2012</b>	<b>2011</b>
	\$	\$
Cash at bank and in hand	<u>63,624</u>	<u>191,980</u>

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date.

At balance date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax loss and equity would have been affected as follows:

	<b>Post tax loss</b>		<b>Equity</b>	
	<b>Higher / (lower)</b>		<b>Higher / (lower)</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	\$	\$	\$	\$
+1% (100 basis points)	<b>(636)</b>	(1,920)	<b>636</b>	1,920
-1% (100 basis points)	<b>636</b>	1,920	<b>(636)</b>	(1,920)

The movements are due to higher / lower interest revenue from cash balances. A sensitivity of 1% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates.

*Foreign currency risk*

At balance date the Group did not have any financial assets or liabilities subject to foreign currency exposure.

**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued...)***Credit risk*

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group does not hold any credit derivatives to offset its credit exposure. The Group has a cash deposit in HSBC Australia, which have a rating of at least A1 from Standard & Poor's and the Board considers this financial institution to be sufficient in the management of credit risk with regards to funds on deposit.

*Liquidity risk*

Liquidity risk is the risk that the Group may encounter difficulty in meeting its financial obligations.

The Group's objective is to maintain adequate funding to meet its needs, currently represented by cash and short-term deposits sufficient to meet the Group's current cash requirements.

*Maturity analysis for financial liabilities*

Financial liabilities of the Group comprise trade and other payables, which are contractually matured within 30 days.

**4. SIGNIFICANT 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 and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS  
(continued...)*****Significant accounting judgements******Taxation***

The Group's accounting policy for taxation requires management's judgment as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgment is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

**5. SEGMENT REPORTING**

The Group does not currently have any material segments to report.

**6. REVENUE AND OTHER INCOME**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues from continuing operations</b>		
Interest	581	3,814
Other revenue	-	996
	<u>581</u>	<u>4,810</u>
<b>Other Income</b>		
Reversal of accrual for directors' fees	62,000	-
Other	185	-
	<u>62,185</u>	<u>-</u>

**7. EXPENSES**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Corporate administration expenses	<b>128,863</b>	161,951
	<b>128,863</b>	161,951

**8. AUDITORS' REMUNERATION**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Audit services</b>		
(a) BDO Audit (WA) Pty Ltd Audit and review of financial reports	<b>25,755</b>	20,957
Total remuneration of BDO Audit (WA) Pty Ltd	<b>25,755</b>	20,957

**9. TAXATION**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
(a) The major components of income tax expense are:		
Current income tax	-	-
Deferred income tax	-	-
Income tax expense reported in the income statement	-	-

(b) The prima facie tax on operating loss differs from the income tax provided in the accounts as follows:

Loss from ordinary activities before income tax expense	<b>(66,097)</b>	(157,141)
Prima facie tax benefit on loss from ordinary activities at 30%	<b>(19,829)</b>	(47,142)
Non-deductible expenses for income tax purposes	-	-
(Under) / over provision from prior periods	-	995
Income tax benefit not recognised	<b>19,829</b>	46,147
Income tax benefit / (expense)	-	-

**9. TAXATION (continued...)**

(c) Deferred income tax at 30 June relates to the following:

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Deferred tax asset		
Cost of capital raising	-	-
Deferred tax asset not brought to account	-	-
	<hr/>	<hr/>
Deferred tax liability	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

Additionally the Group has tax losses that arose in Australia for which no deferred tax asset is recognised on the statement of financial position of \$4,292,891 (2011: \$3,972,402) and are available indefinitely for offset against future profits subject to continuing to meet the relevant statutory tests. The Company has not formed a Tax Consolidated Group.

**10. LOSS PER SHARE****Classification of securities as ordinary shares**

The Company has only one category of ordinary shares included in basic earnings per share.

**Classification of securities as potential ordinary shares**

There are currently no securities to be classified as dilutive potential ordinary shares on issue, as the options on issue are anti-dilutive.

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	<b>453,424,164</b>	453,424,164
	<hr/>	<hr/>
	<b>\$</b>	<b>\$</b>
Basic loss attributable to ordinary equity holders of the parent	<b>(65,564)</b>	(156,814)
	<hr/>	<hr/>



**10. LOSS PER SHARE (continued...)**

This calculation does not include instruments that could potentially dilute basic earnings per share in the future as these instruments are anti-dilutive, considered as their inclusion would reduce the loss per share. A summary of such instruments is as follows:

<i>Equity securities</i>	Number of securities	Number of potential ordinary shares
Options over ordinary shares	-	75,000,000

**11. OTHER RECEIVABLES**

	Consolidated	
	2012	2011
	\$	\$
<b>Current</b>		
Other debtors	1,126	425
	<u>1,126</u>	<u>425</u>

Other debtors include amounts outstanding for goods and services tax (GST). These amounts are non-interest bearing and have repayment terms applicable under the relevant government authority.

**12. PREPAYMENTS**

	Consolidated	
	2012	2011
	\$	\$
<b>Current</b>		
Prepayments	5,218	5,780
	<u>5,218</u>	<u>5,780</u>

**13. TRADE AND OTHER PAYABLES**

	Consolidated	
	2012	2011
	\$	\$
<b>Current</b>		
Trade creditors	17,301	79,421
	<u>17,301</u>	<u>79,421</u>

Trade and other creditor amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days or recognition. Details noting the Groups exposure to risks are summarised in note 3.

**14. CONTRIBUTED EQUITY AND RESERVES****(a) Issued capital**

	Consolidated	
	2012	2011
	\$	\$
Issued capital	21,818,671	21,818,671
Losses of prior years offset against issued capital	<u>(21,818,671)</u>	<u>(21,818,671)</u>
Ordinary shares, fully paid	<u>-</u>	<u>-</u>

**(b) Movements in share capital**

	2012	2011	2012	2011
	Number	Number	\$	\$
Balance at beginning of year	453,424,164	453,424,164	-	-
Issued during the year	-	-	-	-
Balance at year end	<u>453,424,164</u>	<u>453,424,164</u>	<u>-</u>	<u>-</u>

**(c) Terms and conditions of contributed equity**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

**(d) Nature and purpose of reserves****Option premium reserve**

The option premium reserve is used to recognise the value of options issued as share-based payments.

**(e) Capital management**

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. The Company under the direction of management may issue new shares to provide for future development activity. The Group currently has no debt other than trade payables.

**14. CONTRIBUTED EQUITY AND RESERVES (continued...)****(e) Capital management (continued...)****15. SHARE-BASED PAYMENTS**

	Exer- cise price	Expiry date	Balance at beginning of year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of year
			Number	Number	Number	Number	Number
<b>2012 year</b>							
Unlisted options	\$0.03	30/6/12	10,000,000	-	-	(10,000,000)	-
Unlisted options	\$0.03	30/6/12	65,000,000	-	-	(65,000,000)	-
			<b>75,000,000</b>	-	-	<b>(75,000,000)</b>	-
<b>2011 year</b>							
Unlisted options	\$0.03	30/6/12	10,000,000	-	-	-	10,000,000
Unlisted options	\$0.03	30/6/12	65,000,000	-	-	-	65,000,000
			<b>75,000,000</b>	-	-	-	<b>75,000,000</b>

**Weighted average remaining contractual life**

No options were on issue as at 30 June 2012. The weighted average remaining contractual life for the options outstanding as at 30 June 2011 was 1.0 year.

**16. NON-CONTROLLING INTERESTS**

	Consolidated	
	2012	2011
	\$	\$
Contributed equity	49	49
Retained profits/(losses)	(525)	8
	<u>(476)</u>	<u>57</u>

**17. NOTES TO THE STATEMENT OF CASH FLOWS****(a) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and deposits at call, net of outstanding bank overdrafts.

Cash and cash equivalents at the end of the year as shown in the cash flow statement are reconciled to the related item in the statement of financial position as follows:

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	<u><b>63,624</b></u>	<u>191,980</u>

Cash at bank attracts floating interest at current market rates of 0.25% for 30 June 2012 (2011: 0.50%).

**(b) Reconciliation of operating loss after income tax to net cash used in operating activities**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Operating loss after income tax	<b>(66,097)</b>	(157,141)
<b><i>Changes in assets and liabilities</i></b>		
(Increase) / decrease in receivables	<b>(701)</b>	1,383
(Increase) / decrease in prepayments	<b>562</b>	(1,169)
Increase / (decrease) in creditors	<b>(62,120)</b>	27,722
Net cash (used in) operating activities	<u><b>(128,356)</b></u>	<u>(129,205)</u>

**18. KEY MANAGEMENT PERSONNEL DISCLOSURES****(a) Directors and other key management personnel**

The Directors and other key management personnel of GSF Corporation Limited during the financial year and to the date of this report were:

- Ms Nadine Donovan – Non-Executive Director
- Mr Greg O'Reilly – Non-Executive Director
- Mr William Witham – Non-Executive Director

There were no other key management personnel during the financial year.

**(b) Compensation of key management personnel**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	<b>(62,000)</b>	36,000
Post-employment benefits	-	-
Share-based payments	-	-
	<u><b>(62,000)</b></u>	<u>36,000</u>

The Directors were not paid during the year ended 30 June 2012, and a \$62,000 accrual for unpaid directors' fees relating to the 2010 and 2011 financial years was reversed. These amounts will not be payable in the future. Futures directors' fees will only be paid should a suitable project be introduced into the Company.

**18. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued...)****(c) Equity instrument disclosures relating to key management personnel****Option holdings**

The number of options over ordinary shares in the Company held during the financial year by each director and key management personnel of GSF Corporation Limited, including their personally related parties, are set out in the following table.

**2012**

<b>Name</b>	<b>Balance at start of year</b>	<b>Granted during year as remuneration</b>	<b>Exercised during year</b>	<b>Other changes during year</b>	<b>Balance at end of year</b>	<b>Options Vested and exercisable at end of year</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Mr G O'Reilly	-	-	-	-	-	-
Ms N Donovan	-	-	-	-	-	-
Mr W Witham	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**2011**

<b>Name</b>	<b>Balance at start of year</b>	<b>Granted during year as remuneration</b>	<b>Exercised during year</b>	<b>Other changes during year</b>	<b>Balance at end of year</b>	<b>Options Vested and exercisable at end of year</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Mr G O'Reilly	-	-	-	-	-	-
Ms N Donovan	-	-	-	-	-	-
Mr W Witham	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**18. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued...)****(c) Equity instrument disclosures relating to key management personnel (continued...)****Share holdings**

The number of shares in the Company held during the financial year by each director and key management personnel of GSF Corporation Limited, including their personally related parties, is set out in the following table. There were no shares granted during the reporting year as compensation.

**2012**

<b>Name</b>	<b>Balance at start of year</b>	<b>Received during year on exercise of options</b>	<b>Other changes during year</b>	<b>Balance at end of year</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Mr G O'Reilly	2,760,000	-	-	2,760,000
Ms N Donovan	-	-	-	-
Mr W Witham	-	-	-	-
<b>Total</b>	<b>2,760,000</b>	<b>-</b>	<b>-</b>	<b>2,760,000</b>

**2011**

<b>Name</b>	<b>Balance at start of year</b>	<b>Received during year on exercise of options</b>	<b>Other changes during year</b>	<b>Balance at end of year</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Mr G O'Reilly	2,760,000	-	-	2,760,000
Ms N Donovan	-	-	-	-
Mr W Witham	-	-	-	-
<b>Total</b>	<b>2,760,000</b>	<b>-</b>	<b>-</b>	<b>2,760,000</b>

**(d) Other transactions with key management personnel**

As at 30 June 2011, the Directors of GSF were owed \$62,000 for directors' fees accrued but not paid. The directors' fees would only become payable should a project be successfully introduced into the Company. This did not occur and the accrual was reversed in the year ended 30 June 2012.

**19. COMMITMENTS AND CONTINGENCIES****(a) Commitments**

The Group had no commitments for expenditure as at 30 June 2012.

**(b) Contingencies**

The Group had no contingent liabilities as at 30 June 2012.

**20. DIVIDENDS**

No dividend has been declared or paid during the current financial year or the prior financial year.

**21. PARENT ENTITY INFORMATION**

	2012 \$	2011 \$
Current assets	56,654	184,889
Total assets	71,267	198,396
Current liabilities	17,327	79,447
Total liabilities	17,327	79,447
Contributed equity	-	-
Option premium reserve	1,424,233	1,424,233
Accumulated losses	(1,370,293)	(1,305,284)
	<u>53,940</u>	<u>118,949</u>
Loss of the parent entity	(65,008)	(156,473)
Total comprehensive loss of the parent entity	(65,008)	(156,473)

The subsidiary is accounted for in the consolidated accounts as set out in Note 2(c).

**Subsidiary**

	Country of Incorporation	Percentage interest		Investment	
		2012	2011	2012	2011
		%	%	\$	\$
Ocean Premium Seafood Pty Ltd	Australia	<u>51</u>	51	<u>51</u>	<u>51</u>



**22. SUBSEQUENT EVENTS**

On 31 July 2012 GSF announced to the ASX that it had entered into a binding term sheet with Yowie Enterprises Pty Ltd (**Yowie**) and its shareholders to acquire all of the shares and options in Yowie. Yowie is an Australian company with trade mark rights for Yowie Products across a number of markets, including Australia and New Zealand where the products have had previous strong commercial success.

GSF will shortly issue a prospectus whereby GSF offers investors the opportunity to subscribe for 10,000,000 Shares at an issue price of \$0.20 per Share, together with one free-attaching Option exercisable at \$0.20 each on or before 1 December 2015 for every two (2) Shares issued, to raise \$2,000,000. The Company may accept over-subscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share, together with one free-attaching Option exercisable at \$0.20 each on or before 1 December 2015 for every two (2) Shares issued, to raise up to a further \$2,000,000.

A priority offer of 5,000,000 Shares at an issue price of \$0.20 per Share will be made available to existing GSF Shareholders.

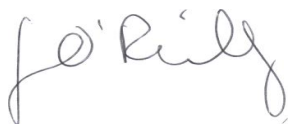
## **DIRECTORS' DECLARATION**

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In accordance with a resolution of the Directors of GSF Corporation Limited, I state that:

1. In the opinion of the Directors:
  - (a) the financial statements, notes and the additional disclosures included in the Directors' report designated as audited, of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
    - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The remuneration disclosures included in pages 10 to 13 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2012, comply with section 300A of the Corporations Act 2001.
3. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2012.

**On behalf of the Board**



**Greg O'Reilly**  
**Director**

21 September 2012

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GSF CORPORATION LIMITED

### Report on the Financial Report

We have audited the accompanying financial report of GSF Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Australian Accounting Standards, that the financial statements comply with *International Financial Reporting Standards*.

### Auditor's Responsibility

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

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

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

### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of GSF Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



## Opinion

In our opinion:

- (a) the financial report of GSF Corporation Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

## Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

## Opinion

In our opinion, the Remuneration Report of GSF Corporation Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

**BDO Audit (WA) Pty Ltd**

**Brad McVeigh**  
Director

Perth, Western Australia  
Dated this 21<sup>st</sup> day of September 2012

## ASX Additional Information

Additional information as required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at **17 September 2012**.

### Distribution of equity securities

Ranges	Investors	Number of shares	% Issued Capital
1 - 1,000	491	131,024	0.03
1,001 - 5,000	51	116,229	0.03
5,001 - 10,000	45	370,581	0.08
10,001 – 50,000	223	6,705,462	1.47
50,001 - 100,000	199	16,351,423	3.61
100,001 and over	437	429,749,445	94.78
<b>Total</b>	<b>1,446</b>	<b>453,424,164</b>	<b>100.00</b>

There were 1,2678 holders holding less than a marketable parcel of ordinary shares based on the last known price of 0.1cents per share, at the date that the Company's securities were last traded being 25 June 2010.

### Quoted and unquoted equity securities

Equity Security	Quoted	Unquoted
Ordinary Shares	453,424,164	-

### Restricted equity securities

There are no restricted securities.

### Voting rights

Ordinary shares carry one vote per share. There are no voting rights attached to the options in the Company.

### Stock Exchange

The Company is listed on the Australian Securities Exchange and has been allocated the code "GSF". The "Home Exchange" is Perth.

### On-market buy-back

There is no current on-market buy-back.

## ASX Additional Information Cont.....

### Twenty largest shareholders of quoted shares

	Name	Shares Held	Percentage %
1	Mr Peter Macskasy Barnes <Barter Investment A/C>	20,462,260	4.51
2	Mr Vincenzo Brizzi & Mrs Rita Lucia Brizzi <Brizzi Family S/F A/C>	13,920,300	3.07
3	Mr Wayne Gregory Loxton & Mrs Donna Joy Loxton <W&D Loxton Superannuation Fund>	13,750,000	3.03
4	Aymon Pacific Pty Ltd <Jerezos Discretionary A/C>	12,400,000	2.73
5	Mr Clarke Barnett Dudley	11,000,000	2.43
6	Austfish Pty Ltd <Austfish Unit A/C>	10,998,605	2.43
7*	Jacobs Corporation Pty Ltd	10,000,000	2.21
7*	Equipment Company of Australia Pty Limited	10,000,000	2.21
8	Wisepans Investments Pty Ltd < Leon Davies Investment A/C>	8,543,333	1.88
9	Westrade Resources Pty Ltd <Sheppard Super A/C>	8,200,000	1.81
10	Caughlan Superannuation Fund Pty Limited <Caughlan Super Fund A/C>	7,948,000	1.75
11	Willingvale Pty Ltd	7,000,000	1.54
12*	Mr Nick Otty	5,000,000	1.10
12*	Mr Matthew Hetherington	5,000,000	1.10
12*	Cunningham Peterson Sharbanee Securities Pty Ltd	5,000,000	1.10
12*	Jakory Pty Ltd <Dempsey S/F A/C>	5,000,000	1.10
12*	SHL Pty Ltd	5,000,000	1.10
12*	Sumita Pty Ltd	5,000,000	1.10
13	Perma-Seal Australia Pty Ltd <Super Fund A/C>	4,700,000	1.04
14*	Aymon Pacific Pty Ltd	4,500,000	0.99
14*	Clement Ray + Ravinder Ray <Clement Ray Superannuation Fund A/C>	4,500,000	0.99
15*	Mr Paul Gregory Brown & Mrs Jessica Oriwia Brown < Brown Super Fund A/C>	4,000,000	0.88
15*	Skerries Investments Ltd	4,000,000	0.88
15*	Mr Kelvin Glen Crosby & Mrs Beverley Anne Crosby	4,000,000	0.88
16	HSBC Custody Nominees (Australia) Limited	3,950,000	0.87
17	Bouta Pty Limited <JB Martel Practice S/F A/C>	3,883,500	0.86
18	P & L Lowman Pty Ltd <P&L Lowman Super Fund A/C>	3,795,000	0.84
19	Mr Mark Becker & Ms Brenda Shackley	3,500,000	0.78
20	Celtic Capital Pty Ltd	3,449,999	0.77
	<b>TOTAL</b>	<b>208,500,997</b>	<b>45.98%</b>

\*These holders occupy an equal place

### Substantial Shareholders

There are no substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001.

### Other information

GSF Corporation Limited is incorporated and domiciled in Australia, and is publicly listed company limited by shares.