



G O W I N G   B R O S

Investing together for a secure future

## APPENDIX 4D STATEMENT

**For the Half-Year Ended 31 January 2013**

### Contents

- Results for announcement to the market
- Appendix 4D accounts
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## Interim Financial Report

The reporting period is the half-year ended 31 January 2013 with the previous corresponding period being the half-year ended 31 January 2012. The results have been reviewed by the company's auditors.

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

<b>Shareholder Returns</b>	<b>Before tax on unrealised gains</b>	<b>After tax on unrealised gains</b>
Net tangible assets per share as at 31 July 2012	\$3.11	\$3.07
<b>Net tangible assets per share as at 31 Jan 2013</b>	<b>\$3.25</b>	<b>\$3.20</b>
+ Underlying increase in net assets	\$0.14	\$0.13
+ Ordinary dividend paid	\$0.055	\$0.055
<b>Total Return</b>	<b>\$0.195</b>	<b>\$0.185</b>
<b>Total Return %</b>	<b>6.3%</b>	<b>6.0%</b>

- Net assets per share increased to \$3.25 as at 31 January 2013 before allowing for tax on unrealised capital gains.
- If the company were to sell its entire long term investment portfolio, net assets per share would be \$3.20 per share after allowing for tax to be paid.
- Net assets per share increased by 14c before tax after the payment of a 5.5c fully franked final dividend representing a total shareholder return of 19.5c per share or 6.3%.



## RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half year ended	31 Jan 2013	31 Jan 2012	Year on Year
	\$000	\$000	Movement
<b>Revenue from ordinary activities</b>			
Investment property rent	8,565	7,415	16%
Listed equity dividends	621	1,110	(44%)
Private equity distributions	(14)	107	(113%)
Interest income	456	412	11%
Total revenue from ordinary activities	9,628	9,044	6%
<b>Expenses</b>			
Investment and development property	3,507	2,457	43%
Borrowing cost	1,661	1,848	(10%)
Administration & public company	1,468	1,298	13%
Total expenses	6,636	5,603	18%
<b>Net Profit from ordinary activities</b>	<b>2,992</b>	<b>3,441</b>	<b>(13%)</b>
Other income	6,590	(802)	922%
<b>Profit from continuing operations before income tax expense</b>	<b>9,582</b>	<b>2,639</b>	<b>263%</b>

**Material factors affecting the revenue and expenses of the Company for the current period:**

The Directors and management focus on the Company's underlying earnings from ordinary activities (i.e. rent, dividends, interest less operating expenses) before impairment and other income. Net income from ordinary activities is the principal source of income used to pay ordinary dividends.

'Total Revenue from Ordinary Activities' increased 6% to \$9.6 million. Investment Property revenue increased 16% to \$8.6 million due to an increase in rents received at Coffs Central (\$0.8m), Port Central (\$0.1m) and Kempsey Central (\$0.1m). Coffs Central revenue increased due to it contributing a full 6 months to the current period compared to only 3 months in the previous corresponding period. Listed Equity revenue decreased 44% following a corresponding reduction in the share portfolio.

It should be noted that Coffs Central is in a development phase which has had an associated impact on revenues during the period with rental concessions given to support existing tenants.

'Total Expenses' increased 18% primarily due to an increase in Investment Property expenses which included Coffs Central operating expenses (\$0.48m) for the additional 3 months of ownership and also Coffs Central non-capitalised development expenses (\$0.44m) relating to leasing, legal and marketing costs.



## RESULTS FOR ANNOUNCEMENT TO THE MARKET

### **Material factors affecting the revenue and expenses of the Company for the current period (continued):**

'Other Income' increased substantially to \$6.59 million including recognition of a receivable of \$4.88m on the redemption of a collateralised debt obligation received subsequent to balance date as announced to the market. Other Income also included \$0.9 million of realised gains on the sale of listed equities.

The Statement of Comprehensive Income on page 5 provides further details of amounts from realised and unrealised gains or losses on the sale or revaluation of assets. This statement shows that;

'Profit from Continuing Operations' increased by 223% to \$6.8 million from \$2.1 million in the prior corresponding period due to revenue, expense and other income movements as noted above.

'Total Comprehensive Income' increased by 362% to \$8.8 million from \$1.9 million due to additional unrealised gains on listed equities of \$2 million.

### **Dividends:**

The Directors have resolved to declare a fully franked ordinary interim dividend of 6.0c (2012: 5.5c).

The 6.0c fully franked ordinary dividend has a record date of 12 April 2013 payable on 26 April 2013.



## Directors' Report

### DIRECTORS

The names of each person serving as a Director, either during or since the end of the half-year, are set out below:

Mr W. A. Salier	(Chairman)
Mr J. E. Gowing	(Managing Director)
Mr J. G. Parker	(Non-executive Director)
Mr. R.D. Fraser	(Non-executive Director)

### REVIEW OF OPERATIONS

Refer to the Half-Year Update 31 January 2013.

### ROUNDING OFF

The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration given to the Directors by the lead auditor for the review undertaken by HLB Mann Judd is included in page 17.

Dated at Sydney this 14th day of March 2013 in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'J. E. Gowing'.

J. E. Gowing  
Managing Director



## Interim Financial Report

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 JANUARY 2013

	Notes	31 January 2013 \$000	31 January 2012 \$000
<b>Revenue</b>			
Interest income		456	412
Listed Australian and global equities		621	1,110
Private equities		(14)	107
Investment properties		8,565	7,415
<b>Total Revenue</b>		<b>9,628</b>	<b>9,044</b>
<b>Other Income</b>			
Gains (losses) on disposal or revaluation of:			
- Listed Australian and global equities	13	5,747	(892)
- Private equities		398	(71)
- Development properties		443	-
FX gains (losses)		2	161
<b>Total Revenue and Income</b>		<b>16,218</b>	<b>8,242</b>
<b>Expenses</b>			
Investment property expenses		3,507	2,447
Development property expenses		-	10
Administration expenses		218	223
Borrowing cost expenses		1,661	1,848
Depreciation expenses		65	56
Employee benefits expenses		1,029	876
Public company expenses		156	143
<b>Total Expenses</b>		<b>6,636</b>	<b>5,603</b>
<b>Profit from continuing operations before income tax expense</b>		<b>9,582</b>	<b>2,639</b>
Income Tax (expense)	3	(2,780)	(495)
<b>Profit from continuing operations</b>	<b>2</b>	<b>6,802</b>	<b>2,144</b>
<b>Other Comprehensive Income</b>			
Net increase/(decrease) in fair value of investments net of tax		2,025	(235)
<b>Total Comprehensive Income</b>		<b>8,827</b>	<b>1,909</b>
<b>Basic earnings per share</b>	<b>7</b>	<b>13.9c</b>	<b>4.4c</b>

The statement of comprehensive income should be read in conjunction with the notes as set out on pages 9 to 15.



## Interim Financial Report

## BALANCE SHEET

AS AT 31 JANUARY 2013

	Notes	31 January 2013 \$000	31 July 2012 \$000
<b>Current Assets</b>			
Cash and cash equivalents		15,213	20,650
Investment properties		-	3,650
Trade and other receivables		839	262
Current Tax receivables		422	-
Notes receivable	13	4,880	-
Other		1,100	1,327
<b>Total Current Assets</b>		<b>22,454</b>	<b>25,889</b>
<b>Non-Current Assets</b>			
Receivables		4	10
Listed equities		24,189	24,122
Unlisted Bonds		503	-
Private equities		12,283	12,518
Development properties		1,434	2,278
Investment properties	4	145,427	132,026
Property plant & equipment		2,888	2,950
Deferred tax assets		5,106	7,247
Other		1,929	1,597
<b>Total Non-Current Assets</b>		<b>193,763</b>	<b>182,748</b>
<b>Total Assets</b>		<b>216,217</b>	<b>208,637</b>
<b>Current Liabilities</b>			
Trade and other payables		3,558	3,039
Borrowings		2,106	2,111
Current tax liabilities		-	361
Provisions		219	168
<b>Total Current Liabilities</b>		<b>5,883</b>	<b>5,679</b>
<b>Non-Current Liabilities</b>			
Payables		-	62
Borrowings		47,023	47,023
Provisions		157	276
Deferred tax liabilities		6,510	5,084
<b>Total Non-Current Liabilities</b>		<b>53,690</b>	<b>52,445</b>
<b>Total Liabilities</b>		<b>59,573</b>	<b>58,124</b>
<b>Net Assets</b>		<b>156,644</b>	<b>150,513</b>
<b>Equity</b>			
Issued capital		13,294	13,294
Reserves	5	96,799	94,774
Retained profits	6	46,551	42,445
<b>Total Equity</b>		<b>156,644</b>	<b>150,513</b>

The balance sheet should be read in conjunction with the notes as set out on pages 9 to 15.



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## Interim Financial Report

### STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 JANUARY 2013

	Contributed Equity \$'000	Capital Profits Reserve- Pre CGT Profits \$'000	Investment Revaluation Reserve- Listed Equities \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 1 August 2011</b>	<b>13,294</b>	<b>90,503</b>	<b>4,638</b>	<b>41,869</b>	<b>150,304</b>
<b>Total comprehensive income for the half-year</b>	-	-	(235)	2,144	1,909
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	-	-	-	-	-
Dividends paid	-	-	-	(2,695)	(2,695)
	-	-	-	(2,695)	(2,695)
<b>Balance at 31 January 2012</b>	<b>13,294</b>	<b>90,503</b>	<b>4,403</b>	<b>41,318</b>	<b>149,518</b>
<b>Balance at 1 August 2012</b>	<b>13,294</b>	<b>90,503</b>	<b>4,271</b>	<b>42,445</b>	<b>150,513</b>
<b>Total comprehensive income for the half-year</b>	-	-	2,025	6,802	8,827
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	-	-	-	-	-
Dividends paid	-	-	-	(2,696)	(2,696)
	-	-	-	(2,696)	(2,696)
<b>Balance at 31 January 2013</b>	<b>13,294</b>	<b>90,503</b>	<b>6,296</b>	<b>46,551</b>	<b>156,644</b>

The statement of changes in equity should be read in conjunction with the notes as set out on pages 9 to 15.



## Interim Financial Report

## STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 JANUARY 2013

	31 January 2013	31 January 2012
	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>		
Receipts in the course of operations (inclusive of GST)	8,751	8,069
Payments to suppliers and employees (inclusive of GST)	(5,741)	(4,316)
Dividends received	606	1,218
Interest received	496	491
Borrowing costs	(1,661)	(1,729)
Income taxes paid	(522)	(1,193)
<b>Net Cash inflow/(outflow) from Operating Activities</b>	<b>1,929</b>	<b>2,540</b>
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of property, plant and equipment	(3)	(66)
Payments for purchases of equity investments	(2,148)	-
Payments for purchase of property	(10,848)	(34,587)
Proceeds from sale of equity investments	6,048	11,082
Proceeds from sale of property & other assets	2,365	(5)
<b>Net Cash outflow from Investing Activities</b>	<b>(4,586)</b>	<b>(23,576)</b>
<b>Cash Flows from Financing Activities</b>		
Loans issued	(80)	-
Proceeds from borrowings	-	14,000
Repayment of borrowings	(5)	(36)
Dividends paid	(2,695)	(2,695)
<b>Net Cash inflow/(outflow) from Financing Activities</b>	<b>(2,780)</b>	<b>11,269</b>
<b>Net increase (decrease) in Cash Held</b>	<b>(5,437)</b>	<b>(9,767)</b>
Cash at the beginning of the period	20,650	27,736
<b>Cash at the end of the period</b>	<b>15,213</b>	<b>17,969</b>

The statement of cash flows should be read in conjunction with the notes as set out on pages 9 to 15.



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are a general purpose financial report prepared in accordance with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the company as at and for the year ended 31 July 2012. Comparative information has been reclassified where appropriate to enhance comparability.

The interim financial report is presented in Australian dollars and is prepared on the historical cost basis, as modified by the revaluation of listed Australian and global equities (available-for-sale financial assets), private equities (financial assets at fair value through profit or loss), unlisted bonds and investment properties (at fair value through profit or loss).

The preparation of an interim financial report requires conformity with Australian Accounting Standards in the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the entity's accounting policies. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision affects the current and future periods then the revision is made over current and future periods accordingly.



## Interim Financial Report

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

	31 January 2013	31 January 2012
	\$'000	\$'000

**2. SEGMENT INFORMATION****Business segments**

The company comprises the following business segments, based on the company's management reporting system:

- Cash and fixed interest
- Listed equities
- Unlisted bonds
- Private equities
- Investment properties
- Development properties
- Other

The company operates only in Australia.

**Segment revenue**

Cash and fixed interest – interest received	456	412
Listed equities – dividends and option income	621	1,110
Private equities – distributions received	(14)	107
Investment properties – rent received	8,565	7,415
<b>Total segment revenue</b>	<b>9,628</b>	<b>9,044</b>

**Segment other income**

Listed equities – realised gains(losses) on disposal	5,747	(892)
Private equities – unrealised fair value gain/(loss)	398	(71)
Realised development property gains	443	-
Other income	2	161
<b>Total other income</b>	<b>6,590</b>	<b>(802)</b>
<b>Total segment revenue and other income</b>	<b>16,218</b>	<b>8,242</b>

**Segment result**

Cash and fixed interest	442	412
Listed equities	1,487	218
Unlisted bonds	14	-
Private equities	383	36
Investment properties	3,401	3,370
Development properties	443	(10)
Other	3,412	(1,387)
	9,582	2,639
Income tax expense (credit)	2,780	495
<b>Net profit</b>	<b>6,802</b>	<b>2,144</b>



## Interim Financial Report

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

	31 January 2013	31 July 2012
	\$'000	\$'000

#### 2. SEGMENT INFORMATION (CONTINUED)

##### Segment assets

Cash and fixed interest	15,582	21,094
Listed equities	29,069	24,122
Unlisted bonds	503	-
Private equities	12,283	11,957
Investment properties	145,427	136,237
Development properties	1,434	2,283
Unallocated assets	11,919	12,944
<b>Total assets</b>	<b>216,217</b>	<b>208,637</b>

##### Segment liabilities

Investment properties	49,100	49,100
Unallocated liabilities	10,473	9,024
<b>Total liabilities</b>	<b>59,573</b>	<b>58,124</b>

	31 January 2013	31 January 2012
	\$'000	\$'000

#### 3. INCOME TAX

Prima facie tax expense on the net profit at 30%	2,874	792
Tax effect of permanent differences:		
Other	79	-
(Non-taxable) Non-deductible expenses	(8)	(1)
Franked dividends	(165)	(296)
Income tax expense on operating profit	2,780	495
<b>Income Tax Expense</b>	<b>2,780</b>	<b>495</b>



## Interim Financial Report

	31 January 2013	31 July 2012
	\$'000	\$'000

### 4. NON-CURRENT INVESTMENT PROPERTIES

Land and buildings – at fair value	145,427	132,026
At fair value		
Balance at beginning of year	132,026	95,717
Transfers from current to non-current	2,650	-
Acquisition of properties	10,751	36,450
Net gain (loss) from fair value adjustment	-	(141)
Balance at end of year	145,427	132,026

	31 January 2013	31 January 2012
	\$'000	\$'000

### Amounts recognised in profit or loss for investment purposes

Rental revenue	8,440	7,415
Direct operating expenses from rental generating properties	(3,456)	(2,457)
	4,984	4,958

Changes in fair values of investment properties are recorded in other income.

	Valuation Method	Acquisition Date	Cost including All additions \$'mil	Cap Rate (%)	Valuation 31 January 2013 \$'mil	31 July 2012 \$'mil
Port Central SC						
Port Macquarie NSW	(a)	Dec 2009	62.2	9.0%	64.4	64.4
Coffs Central SC						
Coffs Harbour, NSW	(a)	Nov 2011	43.9	9.0%	43.9	33.7
Kempsey Central SC						
Kempsey, NSW	(a)	Mar 2010	15.7	9.5%	15.7	15.6
Moonee Marketplace						
Moonee Beach, NSW	(a)	May 2010	13.7	9.5%	13.7	13.3
35-39 Wharf St						
Forster NSW	(b)	Feb 2005	1.5	n/a	1.5	1.5
Other Properties	(b)	1997 – 2006	3.4	n/a	3.6	3.5
Total			140.4		142.8	132.0

(a) Fair value is based on capitalisation rates, which reflect tenant profile, lease expiry, development potential and the underlying physical condition of the centre, applied to projected net rental income of each property. Further information used to support capitalisation rates have been provided in the table below.

	<i>Port Central Shopping Centre</i>	<i>Coffs Central Shopping Centre</i>	<i>Kempsey Central Shopping Centre</i>	<i>Moonee Marketplace Shopping Centre</i>
Acquisition date	18-Dec-09	4-Nov-11	12-Mar-10	13-May-10
Period of ownership	37 months	15 months	34 months	32 months
Age of centre	17.5 years	25.5 years	4.5 years	6.5 years
Location	Port Macquarie	Coffs Harbour	Kempsey	Coffs Harbour
Shopping centre type	Sub-regional	Sub-regional	Neighbourhood	Neighbourhood
Majors	Super IGA, Target	Big W, Best & Less	Coles, Target	Coles
Specialties	61	70	14	36
Specialty occupancy	95%	74%	86%	42%

(b) Current prices in an active market for properties of similar nature or recent prices of different nature in less active markets.



## Interim Financial Report

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

	31 January 2013	31 July 2012
	\$'000	\$'000

**5. RESERVES**

Capital profits reserve	90,503	90,503
Investment revaluation reserve – listed Australian and global equities	6,296	4,271
<b>Total Reserves</b>	<b>96,799</b>	<b>94,774</b>

**6. RETAINED PROFITS**

Retained profits at the beginning of the financial period	42,445	41,869
Net profit attributable to members of Gowing Bros. Limited	6,802	5,967
Dividends provided for or paid	(2,696)	(5,391)
<b>Retained Profits at end of the financial period</b>	<b>46,551</b>	<b>42,445</b>

	31 January 2013	31 January 2012
	\$'000	\$'000

**7. EARNINGS PER SHARE (EPS)**

Earnings reconciliation:		
Net profit	6,802	2,144
Basic and diluted earnings	6,802	2,144
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share.	49,003,325	49,003,325
<b>Basic and diluted earnings per share</b>	<b>13.9c</b>	<b>4.4c</b>

At balance date there were no options on issue.

	31 January 2013	31 July 2012
	\$'000	\$'000

**8. NET TANGIBLE ASSET BACKING**

NTA per ordinary security before tax on unrealised gains on listed equities	\$3.25	\$3.11
NTA per ordinary security after tax on unrealised gains on listed equities	\$3.20	\$3.07

The company is a long term investor and does not intend on disposing of its investment portfolio. Valuations are based on managements' best estimation of market values with reference to ASX prices, private equity manager reports, property valuations and consultation with real estate advisors.



## Interim Financial Report

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

#### 9. DIVIDENDS

	CENTS PER SHARE	TOTAL AMOUNT \$'000	DATE OF PAYMENT
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The following dividends were declared and paid by the company:

Interim dividend 31 January 2012	5.5c	2,695	27 April 2012
Final dividend 31 July 2012	5.5c	2,695	24 October 2012

Since the end of the period, the directors declared the following dividend:

Interim dividend 31 January 2013	6.0c	2,940	26 April 2013
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Dividends declared or paid during the period were fully franked at the tax rate of 30%.

The financial effect of the dividend declared subsequent to reporting date has not been brought to account in the financial statements for the half-year ended 31 January 2013 and will be recognised in subsequent financial reports.

The Dividend Reinvestment Plan and Bonus in Lieu Plan will be suspended for the current dividend.

#### 10. INTERESTS IN ENTITIES WHICH ARE NOT CONTROLLED ENTITIES, OR JOINT VENTURE OPERATIONS

The economic entity has an interest in the following entities, and joint venture operations:

	% OF OWNERSHIP HELD AT END OF PERIOD OR DATE OF DISPOSAL		CONTRIBUTION TO NET PROFIT (LOSS)	
	31 January 2013 %	31 January 2012 %	31 January 2013 \$'000	31 January 2012 \$'000
Joint Ventures:				
Yarrowonga	-	50	-	(10)
Elrington Partnership	50	50	24	18
Regional Retail Properties	50	50	25	15
<b>Total</b>			49	23



## Interim Financial Report

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

#### 11. ISSUED AND QUOTED SECURITIES AT THE END OF CURRENT PERIOD

	No. quoted	Total No.
Ordinary Securities:		
Opening Balance	49,003,325	49,003,325
<b>Closing Balance</b>	<b>49,003,325</b>	<b>49,003,325</b>

#### 12. COMMENTS BY DIRECTORS

Description of event(s) since the end of the current period which has had a material effect and is not already reported elsewhere in this financial report.

Nil.

**Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.**

The Company has sufficient franking credits (\$10.5 million) to fully frank all dividends that have been declared.

#### 13. SALE OF COLLATERALISED DEBT OBLIGATION

Other income includes a gain of \$4.88 million receivable on the redemption of a collateralised debt obligation as disclosed to the market on 27 February 2013.

#### 14. COMMITMENTS FOR EXPENDITURE

##### Capital commitments

The company has uncalled capital commitments of up to \$2,537,500 (2012: 31 July 2012 \$2,537,500) over a period of up to 10 years in relation to private equity and property fund investments held at year end.

At 31 January 2013 the company had capital commitment of \$3,266,000 (2012: 31 July 2012 \$9,258,000) in relation to works being carried out at Coffs Central and Port Central, the commitment is expected to be settled in 2013.



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## Interim Financial Report

### DIRECTORS' DECLARATION

The directors declare that, in the opinion of the directors:

1. the financial statements and notes set out on pages 5 to 15 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001, and;
  - (b) giving a true and fair view of the company's financial position as at 31 January 2013 and of its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

J. E. Gowing  
Managing Director  
14 March 2013

**AUDITOR'S INDEPENDENCE DECLARATION**

**To the Directors of Gowing Bros Limited:**

As lead auditor for the review of Gowing Bros Limited for the half-year ended 31 January 2013 I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.



**A G Smith**  
**Partner**

**Sydney**  
**14 March 2013**

**GOWING BROS LIMITED**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Gowing Bros Limited

We have reviewed the accompanying half-year financial report of Gowing Bros Limited, which comprises the balance sheet as at 31 January 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration, as set out on pages 5 to 16.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 January 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Gowing Bros Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

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

**GOWING BROS LIMITED**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**(CONTINUED)**

**Independence**

In conducting our review, 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 Gowing Bros Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Conclusion**

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

- (a) giving a true and fair view of the company's financial position as at 31 January 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



**HLB MANN JUDD**  
**Chartered Accountants**



**A G Smith**  
**Partner**

**Sydney**  
**14 March 2013**