



Appendix 4D

**INTERIM FINANCIAL  
REPORT  
PERIOD ENDED  
31 JANUARY 2009**

Gowing Bros. Limited  
ABN 68 000 010 471  
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**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

Entity: GOWING BROS. LIMITED

Reporting period: SIX MONTHS ENDED 31 JANUARY 2009

Previous corresponding period: SIX MONTHS ENDED 31 JANUARY 2008

RESULTS				
Revenue	down	1.2%	to	\$4,799,000
Net profit after tax	down	4.9%	to	\$15,975,000
Net profit attributable to members	down	4.9%	to	\$15,975,000
Net assets per share (before allowing tax on unrealised gains)	down	16.7%	to	\$3.18
Net assets per share (after allowing tax on unrealised gains)	down	11.4%	to	\$3.28

DIVIDENDS	RECORD DATE	PAYMENT DATE	CENTS PER SHARE	% FRANKED
<b>CURRENT PERIOD</b>				
Interim dividend – fully franked LIC dividend	10 April 2009	24 April 2009	5.0c	100%
Special dividend 1 – fully franked LIC dividend	10 April 2009	24 April 2009	5.0c	100%
Special dividend 2 – fully franked LIC dividend	12 June 2009	26 June 2009	10.0c	100%
<b>PREVIOUS CORRESPONDING PERIOD</b>				
Interim dividend – fully franked LIC dividend			5.0c	100%
Special dividend – fully franked LIC dividend			5.0c	100%

The Dividend Reinvestment Plan and Bonus in Lieu Plan remain suspended although the company is giving consideration to reactivating the plans for future dividends.



## 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)

### REVIEW OF OPERATIONS

Refer to the Half Year Update – 31 January 2009.

### 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 director's 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 13.

Dated at Sydney this 19th day of March 2009 in accordance with a resolution of the directors.

J. E. Gowing  
Managing Director



## Interim Financial Report

**INCOME STATEMENT**

FOR THE SIX MONTH PERIOD ENDED 31 JANUARY 2009

	Notes	31 January 2009 \$000	31 January 2008 \$000
<b>Revenue</b>			
Interest income		2,375	1,209
Listed Australian and global equities		2,024	3,089
Private equities		178	168
Investment properties		222	393
<b>Total Revenue</b>		<b>4,799</b>	<b>4,859</b>
<b>Other Income</b>			
Gains (losses) on disposal or revaluation of:			
- Listed Australian and global equities		15,928	15,589
- Private equities		(3,080)	1,846
- Investment properties		-	1,640
- Development properties		17	75
FX gains (losses)		468	(33)
Other income		856	26
<b>Total Revenue and Income</b>		<b>18,988</b>	<b>24,002</b>
<b>Expenses</b>			
Investment property related expenses		120	105
Administration expenses		82	83
Borrowing cost expenses		483	509
Depreciation expenses		38	32
Employee expenses		262	852
Public company expenses		183	162
<b>Total Expenses</b>		<b>1,177</b>	<b>1,743</b>
<b>Profit before income tax expense</b>		<b>17,811</b>	<b>22,259</b>
Income tax expense	4	(1,836)	(5,467)
<b>Profit from continuing operations</b>		<b>15,975</b>	<b>16,792</b>
Net profit attributable to minority interest		-	-
<b>Profit attributable to members of Gowing Bros. Limited</b>	6	<b>15,975</b>	<b>16,792</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>15,975</b>	<b>16,792</b>
Basic earnings per share	7	37.6c	39.4c

The income statement should be read in conjunction with the notes as set out on pages 7 to 11.



## Interim Financial Report

**BALANCE SHEET**

AS AT 31 JANUARY 2009

	Notes	31 January 2009 \$000	31 July 2008 \$000
<b>Current Assets</b>			
Cash and cash equivalents		46,385	51,839
Investment properties		3,580	3,569
Trade and other receivables		1,623	4,397
Other		235	599
<b>Total Current Assets</b>		<b>51,823</b>	<b>60,404</b>
<b>Non-Current Assets</b>			
Receivables		459	431
Commonwealth Government Securities		52,037	-
Listed equities		19,565	90,842
Private equities		15,967	19,036
Development properties		3,436	2,156
Investment properties		6,748	6,745
Property plant & equipment		3,312	3,300
Deferred tax assets		5,851	86
Other		332	404
<b>Total Non-Current Assets</b>		<b>107,707</b>	<b>123,000</b>
<b>Total Assets</b>		<b>159,530</b>	<b>183,404</b>
<b>Current Liabilities</b>			
Trade and other payables		441	927
Current tax liabilities		3,594	6,003
<b>Total Current Liabilities</b>		<b>4,035</b>	<b>6,930</b>
<b>Non-Current Liabilities</b>			
Payables		66	42
Borrowings		15,746	14,397
Provisions		119	115
Deferred tax liabilities		243	4,704
<b>Total Non-Current Liabilities</b>		<b>16,174</b>	<b>19,258</b>
<b>Total Liabilities</b>		<b>20,209</b>	<b>26,188</b>
<b>Net Assets</b>		<b>139,321</b>	<b>157,216</b>
<b>Equity</b>			
<b>Parent Entity Interest</b>			
Issued capital		(1,111)	(1,111)
Reserves	5	81,376	105,390
Retained profits	6	59,056	52,937
<b>Total Parent Entity Interest</b>		<b>139,321</b>	<b>157,216</b>

The balance sheet should be read in conjunction with the notes as set out on pages 7 to 11.



GOWING BROS

Investing together for a secure future

## Interim Financial Report

### STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTH PERIOD ENDED 31 JANUARY 2009

	31 January 2009	31 January 2008
	\$000	\$000
<b>Equity at the beginning of the period</b>	157,216	182,276
Profit attributable to shareholders for the period	15,975	16,792
Revaluation of investments, net of tax provided	(31,745)	(18,640)
<b>Equity at the end of the period</b>	141,446	180,428
Transactions with shareholders in their capacity as shareholders:		
Buybacks, net of issue costs	-	(629)
Dividends paid	(2,125)	(4,268)
<b>Equity at the end of the period attributable to shareholders</b>	139,321	175,531

The statement of changes in equity should be read in conjunction with the notes as set out on pages 7 to 11.



## Interim Financial Report

**CASH FLOW STATEMENT**

FOR THE SIX MONTH PERIOD ENDED 31 JANUARY 2009

	31 January 2009	31 January 2008
	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>		
Receipts in the course of operations (inclusive of GST)	1,065	624
Payments to suppliers and employees (inclusive of GST)	(613)	(1,609)
Dividends received	1,811	2,775
Interest received	945	1,204
Borrowing costs	(483)	(509)
Income taxes paid	(5,660)	(1,818)
<b>Net Cash inflow (outflow) from Operating Activities</b>	<b>(2,935)</b>	<b>667</b>
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of property, plant and equipment	(50)	(31)
Payments for purchases of equity investments and CGS	(60,939)	(25,163)
Payments for purchase of property	(1,378)	(3,778)
Proceeds from sale of equity investments	57,689	52,417
Proceeds from sale of property & other assets	3,145	10,265
<b>Net Cash inflow (outflow) from Investing Activities</b>	<b>(1,533)</b>	<b>33,710</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	1,264	489
Payments for shares bought back	-	(629)
Repayment of borrowings	(125)	(1,300)
Dividends paid	(2,125)	(4,268)
<b>Net Cash (outflow) from Financing Activities</b>	<b>(986)</b>	<b>(5,708)</b>
<b>Net increase (decrease) in Cash Held</b>	<b>(5,454)</b>	<b>28,669</b>
Cash at the beginning of the period	51,839	12,154
<b>Cash at the end of the period</b>	<b>46,385</b>	<b>40,823</b>
<b>Reconciliation of Cash</b>		
Cash at bank and on hand	2,985	4,402
Deposits at call	43,400	36,421
<b>Cash at the end of the period</b>	<b>46,385</b>	<b>40,823</b>

The cash flow statement should be read in conjunction with the notes as set out on pages 7 to 11.



## 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 consolidated annual financial report of the consolidated entity as at and for the year ended 31 July 2008. 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) and investment properties.

The preparation of an interim financial report requires conformity with AIFRS 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 value 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 or in the period of the revision future periods if the revision affects both current and future periods.



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

	31 January 2009	31 January 2008
	\$'000	\$'000

## 2. SEGMENT INFORMATION

## Investment Segments

Revenue from outside the consolidated entity:

Cash and fixed interest	2,375	1,209
Listed Australian and global equities	2,024	3,089
Private equities	178	168
Investment properties	222	393
<b>Total Revenue</b>	<b>4,799</b>	<b>4,859</b>
Other income	14,189	19,143
<b>Total Segment Revenue and Income</b>	<b>18,988</b>	<b>24,002</b>
Segment result	17,811	22,259
Income tax expense	(1,836)	(5,467)
<b>Net Profit</b>	<b>15,975</b>	<b>16,792</b>

## 3. OTHER INCOME

Fair value gains on other financial assets at fair value through profit or loss	(3,080)	1,846
Unrealised investment property gains (loss)	-	(751)
Realised investment property gains	-	2,391
Realised development property gains	17	-
Net gain (loss) on sale of available-for-sale financial assets	15,927	15,589
Net gain on disposal of property plant and equipment	-	75
Other income	1,325	(7)
<b>Total Other Income</b>	<b>14,189</b>	<b>19,143</b>

## 4. INCOME TAX

Prima facie tax expense on the net profit at 30%	5,343	6,678
Tax effect of permanent differences:		
Non-assessable income	(2,163)	21
Non-deductible expenses	(1)	(4)
Franked dividends	(512)	(1,107)
Income tax expense on operating profit	2,667	5,588
Under (over) provision for taxable income in prior year	(831)	(121)
<b>Income Tax Expense</b>	<b>1,836</b>	<b>5,467</b>

## 5. RESERVES

Capital profits reserve	90,378	78,893
Investment revaluation reserve – listed Australian and global equities	(9,002)	35,682
<b>Total Reserves</b>	<b>81,376</b>	<b>114,575</b>





## NOTES TO THE INTERIM FINANCIAL STATEMENTS

	31 January 2009	31 January 2008
	\$'000	\$'000

**6. RETAINED PROFITS**

Retained profits at the beginning of the financial period	52,937	49,509
Net profit attributable to members of Gowing Bros. Limited	15,975	16,792
Aggregate of amounts transferred to capital profit reserves	(7,731)	-
Dividends provided for or paid	(2,125)	(4,268)
<b>Retained Profits at end of the financial period</b>	<b>59,056</b>	<b>62,033</b>

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

Earnings reconciliation:		
Net profit	15,975	16,792
Basic and diluted earnings	15,975	16,792
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share.	42,513,419	42,622,271

At balance date there were no options on issue.

	31 January 2009	31 July 2008
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**8. NTA BACKING**

NTA per ordinary security before tax on unrealised gains	\$3.18	\$3.82
NTA per ordinary security after tax on unrealised gains	\$3.28	\$3.70

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.



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 9. DIVIDENDS

	CENTS PER SHARE	TOTAL AMOUNT \$000	DATE OF PAYMENT
The following dividends were declared and paid by the consolidated entity:			
Interim dividend 31 January 2008 <sup>1</sup>	5.0c	2,126	24 April 2008
Special dividend 31 January 2008	5.0c	2,126	24 April 2008
Final dividend 31 July 2008	5.0c	2,125	24 October 2008

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

Interim dividend 31 January 2009	5.0c	2,126	24 April 2009
Special dividend 1 31 January 2009	5.0c	2,126	24 April 2009
Special dividend 2 31 January 2009	10.0c	4,251	26 June 2009

<sup>1</sup> LIC special CGT dividend

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 six month period ended 31 January 2009 and will be recognised in subsequent financial reports.

**Dividend plans in operation:**

The Dividend Reinvestment Plan and Bonus in Lieu Plan remain suspended although the company is giving consideration to reactivating the plans for future dividends.

## 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 2009 %	31 January 2008 %	31 January 2009 \$'000	31 January 2008 \$'000
Joint Ventures:				
Yarrawonga	50	50	-	-
Kemp Street Partnership	-	50	-	-
Elrington Partnership	50	50	-	8
Bunya Pines Estate Joint Venture	50	50	17	75
Regional Retail Properties	50	50	59	1,263
<b>Total</b>			<b>76</b>	<b>1,346</b>



## 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	42,513,419	42,513,419
Transferred to Deferred Employee Share Plan	-	-
Decreases through returns of capital, buybacks	-	-
<b>Closing Balance</b>	<b>42,513,419</b>	<b>42,513,419</b>

### 12. COMMENTS BY DIRECTORS

#### Material factors affecting the revenue and expenses of the economic entity for the current period.

Refer to Half Year Update - 31 January 2009.

#### 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.

Refer to the Half Year Update - 31 January 2009.

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

The Company has sufficient franking credits (\$17.1 million) to fully frank all dividends that have been declared.



## DIRECTORS' DECLARATION

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

1. the financial statements and notes set out on pages 3 to 11 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 31 January 2009 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, 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  
19 March 2009

**GOWING BROS. LIMITED  
ABN 68 000 010 471  
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 2009, 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.



**B V ROSE**  
Partner

**Sydney**  
**19 March 2009**

**GOWING BROS. LIMITED  
ABN 68 000 010 471  
INDEPENDENT REVIEW REPORT**

To the members of Gowing Bros. Limited

**Scope**

We have reviewed the accompanying half year financial report of the Gowing Bros. Limited which comprises the balance sheet as at 31 January 2009, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration as set out on pages 3 to 12.

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

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' 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 Standards on Review Engagements ASRE 2410 *Review of an Interim 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 to 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 2009 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 the company, 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.

**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*, provided to the directors of Gowing Bros. Limited on 19 March 2009, would be in the same terms if provided to the directors as at the time of this auditors' review report.

**GOWING BROS. LIMITED**  
**ABN 68 000 010 471**  
**INDEPENDENT REVIEW REPORT**  
**(continued)**

**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 the Gowing Bros. Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the company's financial position as at 31 January 2009 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink, appearing to read 'B V Rose'.

**B V Rose**  
**Partner**

**Sydney**  
**19 March 2009**

A handwritten signature in black ink, appearing to read 'HLB Mann Judd'.

**HLB MANN JUDD**  
**(NSW Partnership)**  
**Chartered Accountants**