



## Annexure 3A

### SIM Venture Securities Exchange Listing Rules

### Half yearly/Yearly Disclosure

#### References

Version 2, Operative 23/6/2010  
Chapter 3, SIM VSE Listing Rules

Gosnells Financial Services Limited

Name of entity

11 095 764 533

ABN, ACN or ARBN

Half yearly (tick)

Annual (tick)



31 December 2010

Half year/financial year ended  
(‘Current period’)

#### Summary

				\$A,000
Sales revenue or operating revenue	down	4.58%	to	505
Profit (loss) before abnormal items and after tax	down	19.8%	to	81
Abnormal items before tax		gain (loss) of		
Profit (loss) after tax but before outside equity interests	down	19.8%	to	81
Extraordinary items after tax attributable to members		gain (loss) of		
Profit (loss) for the period attributable to members	down	19.8%	to	81

Dividends (distributions)

Franking rate applicable

30%

Current period

Final

4.0¢

Interim

0¢

Previous corresponding period

Final

0¢

Interim

0¢

**Annexure 3A**  
**Half Yearly Disclosure**

Record date for determining entitlements to the dividend, (in the case of a trust distribution)

--

Short details of any bonus or cash issue or other items(s) of importance not previously released to SIM VSE:

--

**Consolidated profit and loss account**

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	505	530
Expenses from ordinary activities	(385)	(381)
Borrowing costs	-	-
Share of net profit (loss) of associates and joint venture entities	-	-
Profit (loss) from ordinary activities before tax	120	149
Income tax on ordinary activities	(39)	(48)
Profit (loss) from ordinary activities after tax	81	101
Outside equity interests	-	-
Profit (loss) from ordinary activities after tax attributable to members	81	101
Profit (loss) from extraordinary activities after tax attributable to members	-	-
Profit (loss) for the period attributable to members	81	101
Retained profits (accumulated losses) at the beginning of the financial period	221	52
Net transfers to and from reserves	-	-
Net effect of changes in accounting policies	-	-
Dividends paid or payable	(24)	-
Retained profits (accumulated losses) at end of financial period	278	153

## Annexure 3A Half Yearly Disclosure

### Profit restated to exclude amortisation of goodwill

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	81	101
Less (plus) outside equity interests		
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	81	101

### Revenue and expenses from operating activities

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
Revenue from ordinary activities	505	530
Employee benefits expenses	(209)	(218)
Depreciation and amortisation expense	(13)	(10)
Other expenses from operating activities	(163)	(153)

### Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill			
Amortisation of other intangibles	10	-	10
<b>Total amortisation of intangibles</b>	10	-	10
Extraordinary items (details)	-	-	-
<b>Total extraordinary items</b>			

## Annexure 3A Half Yearly Disclosure

### Comparison of half year profits (Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year		
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year		

### Consolidated balance sheet

Current assets	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	822	761	688
Receivable	91	114	96
Investments	-	-	-
Inventories	-	-	-
Other (provide details if material)	7	4	9
<b>Total current assets</b>	<b>920</b>	<b>879</b>	<b>793</b>
<b>Non-current assets</b>			
Receivables	-	-	-
Investments	-	-	-
Inventories	-	-	-
Other property, plant and equipment (net)	26	25	17
Intangibles (net)	7	17	22
Other (provide details if material)	10	12	9
<b>Total non-current assets</b>	<b>43</b>	<b>54</b>	<b>48</b>
<b>Total assets</b>	<b>963</b>	<b>933</b>	<b>841</b>
<b>Current liabilities</b>			
Accounts payable	55	77	40
Borrowings	-	-	-
Provisions	22	24	29
Other (provide details if material)	4	4	22
<b>Total current liabilities</b>	<b>81</b>	<b>105</b>	<b>91</b>

**Annexure 3A**  
**Half Yearly Disclosure**

<b>Non-current liabilities</b>			
Accounts payable	-	-	-
Borrowings	-	-	-
Provisions	11	13	9
Other (provide details if material)	4	6	-
<b>Total non-current liabilities</b>	<b>15</b>	<b>19</b>	<b>9</b>
<b>Total liabilities</b>	<b>96</b>	<b>124</b>	<b>100</b>
<b>Net assets</b>	<b>866</b>	<b>809</b>	<b>741</b>
<b>Equity</b>			
Capital	588	588	588
Reserves	-	-	-
Retained profits (accumulated losses)	278	221	153
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
<b>Total equity</b>	<b>866</b>	<b>809</b>	<b>741</b>
Preference capital and related premium included			

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	553	572
Payments to suppliers and employees	(452)	(419)
Dividends received	-	-
Interest and other items of similar nature received	25	5
Interest and other costs of finance paid	-	-
Income taxes paid	(38)	(36)
Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>88</b>	<b>122</b>
<b>Cash flows related to investing activities</b>		
Payments for purchases of property, plant and equipment	(4)	-

**Annexure 3A**  
**Half Yearly Disclosure**

Proceeds from sale of property, plant and equipment	-	-
Payment for purchases of equity investments	-	-
Proceeds from sale of equity investments	-	-
Loans to other entities	-	-
Loans repaid by other entities	-	-
Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(4)</b>	<b>-</b>
<b>Cash flows related to financing activities</b>		
Proceeds from issues of securities (shares, options, etc.)	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Dividends paid	(23)	(2)
Other (provide details if material)		-
<b>Net financing cash flows</b>	<b>(23)</b>	<b>(2)</b>
<b>Net increase (decrease) in cash held</b>		
Cash at beginning of period (see Reconciliation of cash)	761	568
Exchange rate adjustments	-	-
<b>Cash at end of period</b> (see Reconciliation of cash)	<b>822</b>	<b>688</b>

**Non-cash financing and investing activities**

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

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## Annexure 3A Half Yearly Disclosure

### Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	99	70
Deposits at call	723	618
Bank overdraft		
Other (provide details)		
Total cash at end of period	822	688

### Ratios

#### Profit before tax/sales

Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue

Current period

Previous  
corresponding period

23.71%

28.17%

#### Profit after tax/equity interests

Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period

9.34%

13.59%

### Earnings per security (EPS)

Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share

(a) Basic EPS

(b) Diluted EPS (if materially different from (a))

Current period

Previous  
corresponding period

13.66¢ per share

17.01¢ per share

### NTA backing

Net tangible asset backing per ordinary security

Current period

Previous  
corresponding period

143.49¢ per share

119.96¢ per share

## Annexure 3A Half Yearly Disclosure

### Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included		-
Interest revenue included but not yet received (if material)		-
Interest costs excluded from borrowing costs capitalised in asset values		-
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)		-
Depreciation (excluding amortisation of intangibles)	(3)	(5)
Other specific relevant items		-

### Control gained over entities having material effect

Name of entity

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired

\$

Date from which such profit has been calculated

Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period

\$

### Loss of control of entities having material effect

Name of entity

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control

\$

Date from which the profit (loss) has been calculated

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period

\$

Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

\$



## Annexure 3A Half Yearly Disclosure

### Reports for industry and geographical segments

#### Segments

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result

Unallocated expenses

Consolidated profit from ordinary activities after tax (before equity accounting)

Segment assets	)	<i>Comparative data for segment assets should be as at the</i>
Unallocated assets	)	<i>end of the previous corresponding period</i>
Total assets	)	

#### Dividends

Date the dividend is payable

-
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Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

-
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#### Amount per security

		<i>Franking rate applicable</i>	%	%	%
<i>(annual report only)</i>					
<b>Final dividend:</b>	Current year	¢	N/A	¢	N/A
	Previous year	¢	¢	¢	¢
<i>(Half yearly and annual statements)</i>					
<b>Interim dividend:</b>	Current year	-¢	N/A	¢	N/A
	Previous year	-¢	N/A	¢	¢

## Annexure 3A Half Yearly Disclosure

### Total annual dividend (distribution) per security (Annual statement only)

	Current year	Previous year
Ordinary securities	-¢	- ¢
Preference securities	-¢	- ¢

### Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$24	\$-
Preference securities	\$ -	\$-
<b>Total</b>	\$24	\$-

### Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$24	\$-
Preference securities	\$ -	\$-
<b>Total</b>	\$24	\$-

The dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices to the dividend or distribution plans

Any other disclosures in relation to dividends (distributions)

## Annexure 3A Half Yearly Disclosure

### Equity accounted associated entities and other material interests

Equity accounting information attributable to the to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Entities share of:	Current period A\$'000	Previous corresponding period A\$'000
Profit (loss) from ordinary activities before tax.		
Income tax		
Profit (loss) from ordinary activities after tax		
Extraordinary items net of tax		
Net profit (loss)		
Outside equity interests		
Net profit (loss) attributable to members		

### Material interests in entities which are not controlled entities

The entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
<b>Total</b>				
<b>Other material interests</b>				

**Annexure 3A**  
**Half Yearly Disclosure**

<b>Total</b>				

**Issued and listed securities**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

**Category of securities**

	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
<b>Preference securities</b> <i>(description)</i>				
Changes during current period				
<b>Ordinary securities</b>	592,180	592,180	100	100
Changes during current period				
<b>Convertible debt securities</b> <i>(description and conversion factor)</i>				
Changes during current period				

			Exercise price	Expiry date
<b>Options</b> <i>(description and conversion factor)</i>				
Changes during current period				
Exercised during current period				
Expired during current period				

**Annexure 3A**  
**Half Yearly Disclosure**

<b>Debentures</b>		
<b>Unsecured Notes</b>		

**Discontinuing Operations**

**Consolidated profit and loss account**

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue						
Other revenue						
Expenses from ordinary activities						
Profit (loss) before tax						
Less tax						
Profit (loss) from ordinary activities after tax						

**Consolidated statement of cash flows**

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows						
Net investing cash flows						

**Annexure 3A**  
**Half Yearly Disclosure**

Net financing cash flows						
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**Other disclosures**

	Current period A\$'000	Previous corresponding period A\$'000
Carrying amount of items to be disposed of:		
- total assets		
- total liabilities		
Profit (loss) on disposal of assets or settlement of liabilities		
Related tax		
Net profit (loss) on discontinuance		

Description of disposals

**Comments by *directors***

**Basis of accounts preparation**

*If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.*

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

## Annexure 3A Half Yearly Disclosure

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

The franchise agreement between Gosnells Financial Services Ltd (GFS) and Bendigo and Adelaide Bank Limited (BABL) is currently being reviewed with specific emphasis on the profit sharing arrangement of fixed rate banking products. One possible outcome of this review is that the profitability of Gosnells Financial Services Ltd may be reduced.

The Board of GFS is reviewing the BABL proposed changes and will advise shareholders and BSX of any changes. The Board will consider the best interests for shareholders, all parties, to the Franchise Agreement and the community, taking into account cashflow, profitability and future growth.

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

Fully franked final dividend of 4c per share paid (effective on share registry – 15 September 2010). Refer page 1.

The Board is considering paying a fully franked dividend prior to the end of the 2011 calendar year. The Board has proposed only a single dividend payment in future to reduce the administrative cost burden of paying both a final dividend and an interim dividend.

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

### Additional disclosure for trusts

Number of units held by the management company or responsible entity to their related parties.

A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
- Management fees
- Other fees

**Annexure 3A**  
**Half Yearly Disclosure**

**Annual meeting**

*(Annual statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement, and the financial statements under the Corporations Act (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are followed as compared with the most recent annual accounts.
- 4 This statement gives a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:

*(Tick one)*

☐

The financial statements have been audited.

☒

The financial statements have been subject to review by a registered auditor (or overseas equivalent).

☐

The financial statements are in the process of being audited or subject to review.

☐

The financial statements have *not* yet been audited or reviewed.

- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*).
- 7 The entity does not have a formally constituted audit committee.

Sign here:



*(Director/Company secretary)*

Date:

*16 March 2011*

Print name:

*IGNAZIO ROCCO MORO*



**Notes**

**True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

**Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

**Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.



**GOSNELLS FINANCIAL SERVICES LIMITED**


**ABN 11 095 764 533**

**FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED  
31 DECEMBER 2010**

**MACRI PARTNERS**

Certified Practising Accountants  
1<sup>st</sup> Floor, 28 Thorogood Street  
BURSWOOD WA 6100

 (08) 9470 4848

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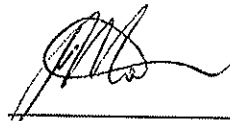
**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2010**

**C O N T E N T S**

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This is annexure A of 13 pages referred to in Form 7051:  
"Half Yearly Reports".



Director

16 March 2011

Date

**ABN 11 095 764 533**

## **DIRECTORS' REPORT**

The Directors of the company submit the financial report for the half-year ended 31 December 2010.

### **DIRECTORS**

The names of Directors who held office during or since the end of the half-year are:

Timothy Smith (Chairperson – elected 27 October 2010)  
William Walter (Chairperson - resigned 27 October 2010)  
Lily Bahnam (Vice Chairperson)  
Michael Devereaux (Company Secretary)  
Ignazio Moro (Treasurer – appointed 22 September 2010)  
Bronwyn Baker  
Michelle Lennox  
Wayne Nurse (Appointed 22 September 2010 - Resigned 31 January 2011)  
Dearne Russell  
John Willmont (Appointed 22 September 2010)  
Salim Youssef (Appointed 8 March 2011)

### **PRINCIPAL ACTIVITIES**

The principal activities of the company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

### **REVIEW OF OPERATIONS**

The focus of the Company's operations during the half-year was the operation of the Gosnells Community Bank<sup>®</sup> branch of Bendigo Bank, pursuant to a franchise agreement.

The company recorded a net profit after income tax from ordinary activities of \$80,883 for the six months ended 31 December 2010 (six months ended 31 December 2009 was \$100,756).

The Company has issued a final Dividend of 4 cents per share on 1 October 2010 (interim dividend of 4 cents per share paid 12 March 2010). The dividend is in contrast to the 2009 half year when no dividend was issued. The 2010 interim dividend was declared due to the returning of stability in the economy and increase in profitability.

### **CORPORATE GOVERNANCE**

The Directors have a strong commitment to good corporate governance. Their guiding principle in meeting this responsibility is to act honestly, conscientiously and fairly in accordance with the law in the interest of investors and other stakeholders.

#### ***Governance and Strategy***

Gosnells Financial Services Limited has established a Governance and Strategy Committee. The members of the committee are:

- Dearne Russell (Chairperson); and
  - Bronwyn Baker (Director);
-

**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**DIRECTORS' REPORT (CONT'D)**

**CORPORATE GOVERNANCE (CONT'D)**

***Governance and Strategy (cont'd)***

The primary function of the committee is to assist the Board in fulfilling its oversight responsibilities by reviewing:

- The financial information of the Company;
- The systems of internal control (governance) which management and the Board have established;
- The overall audit process of the Company;
- Regulatory obligations of the Company and compliance with these requirements;
- The systems of risk management which management and the Board have established.

The Company has not appointed a separate audit committee due to the size and nature of operations. The normal functions and responsibilities of an audit committee have been assumed by the Finance and Compliance Committee.

In addition to the above, the Company has also implemented other corporate governance practices, which include:

- Director approval of operating budgets and monitoring of progress against these budgets;
- Ongoing Director training; and
- Monthly Director meetings to discuss performance and strategic plans.

**AUDITOR'S DECLARATION**

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 3 for the half-year ended 31 December 2010.

This report is signed in accordance with a resolution of the Board of Directors.

  
\_\_\_\_\_  
**DIRECTOR**

**PERTH**  
**DATED THIS 16<sup>TH</sup> DAY OF MARCH 2011.**

**GOSNELLS FINANCIAL SERVICES LIMITED**

**ABN 11 095 764 533**

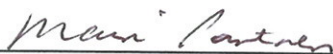
**AUDITOR'S INDEPENDENCE DECLARATION**

**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF GOSNELLS FINANCIAL SERVICES LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2010, there have been:

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

  
MACRI PARTNERS  
CERTIFIED PRACTISING ACCOUNTANTS  
28 THOROGOOD STREET  
BURSWOOD WA 6100

  
A MACRI  
PARTNER

PERTH  
DATED THIS 16<sup>th</sup> DAY OF MARCH 2011.



**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF:**  
**GOSNELLS FINANCIAL SERVICES LIMITED**

***Report on the Half-year Financial Report***

We have reviewed the accompanying half-year financial report of Gosnells Financial Services Limited (the company) which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the Directors' declaration.

***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 that gives a true and fair view report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 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 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 December 2010 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 Gosnells Financial Services 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 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 Gosnells Financial Services Limited would be in the same terms if provided to the Directors as at the date of this auditor's review report.

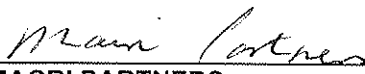


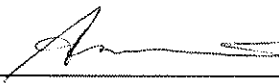


*Conclusion*

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 Gosnells Financial Services 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 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

  
MACRI PARTNERS  
CERTIFIED PRACTISING ACCOUNTANTS  
28 THOROGOOD STREET  
BURSWOOD WA 6100

  
A MACRI  
PARTNER

PERTH  
DATED THIS 16<sup>th</sup> DAY OF MARCH 2011.



**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**DIRECTORS' DECLARATION**

The Directors of the company declare that:

1. The financial statements and notes set out on pages 7 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (a) Complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
2. In the Directors' opinion 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 the Board of Directors.

  
\_\_\_\_\_  
DIRECTOR

**PERTH**  
**DATED THIS 16<sup>TH</sup> DAY OF MARCH 2011.**

**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	31 December 2010 \$	31 December 2009 \$
Revenue	483,702	517,892
Interest income	21,759	11,836
Employee benefits expense	(209,451)	(217,837)
Depreciation and amortisation expense	(13,376)	(10,096)
Other expenses	(162,804)	(152,576)
	<hr/>	<hr/>
<b>Profit before income tax</b>	119,830	149,219
Income tax expense	(38,947)	(48,463)
	<hr/>	<hr/>
<b>Profit for the period</b>	<u>80,883</u>	<u>100,756</u>
<b>Total comprehensive income for the period</b>	<u>80,883</u>	<u>100,756</u>
Total comprehensive income attributable to:		
Members of the entity	<u>80,883</u>	<u>100,756</u>
 <b>Earnings per share</b>		
From overall operations		
Basics earnings per share (cents)	13.66	17.01
Diluted earnings per share (cents)	13.66	17.01

The accompanying notes form part of these financial statements.

**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2010**

	31 December 2010 \$	30 June 2010 \$
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	822,220	761,334
Trade and Other Receivables	90,840	114,037
Other Current Assets	<u>6,885</u>	<u>3,644</u>
<b>TOTAL CURRENT ASSETS</b>	<u>919,945</u>	<u>879,015</u>
<b>NON CURRENT ASSETS</b>		
Property, Plant and Equipment	26,417	25,465
Deferred Tax Assets	9,895	11,714
Intangible Assets	<u>6,667</u>	<u>16,824</u>
<b>TOTAL NON CURRENT ASSETS</b>	<u>42,979</u>	<u>54,003</u>
<b>TOTAL ASSETS</b>	<u>962,924</u>	<u>933,018</u>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	55,084	77,495
Current Tax Liabilities	4,098	3,678
Short-term Provisions	<u>22,219</u>	<u>23,979</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>81,401</u>	<u>105,152</u>
<b>NON CURRENT LIABILITIES</b>		
Long-term Provisions	10,766	13,390
Deferred tax liabilities	<u>4,483</u>	<u>5,398</u>
<b>TOTAL NON CURRENT LIABILITIES</b>	<u>15,249</u>	<u>18,788</u>
<b>TOTAL LIABILITIES</b>	<u>96,650</u>	<u>123,940</u>
<b>NET ASSETS</b>	<u>866,274</u>	<u>809,078</u>
<b>EQUITY</b>		
Issued Capital	588,400	588,400
Retained Earnings	<u>277,874</u>	<u>220,678</u>
<b>TOTAL EQUITY</b>	<u>866,274</u>	<u>809,078</u>

The accompanying notes form part of these financial statements.

**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Note	Issued Ordinary Capital	Retained Earnings	Total
		\$	\$	\$
<b>Balance at 1 July 2009</b>		588,400	52,377	640,777
Profit attributable to the members of the company		-	100,756	100,756
Dividends paid or provided for	2	-	-	-
<b>Balance at 31 December 2009</b>		<u>588,400</u>	<u>153,133</u>	<u>741,533</u>
 <b>Balance at 1 July 2010</b>		 588,400	 220,678	 809,078
Profit attributable to the members of the company		-	80,883	80,883
Dividends paid or provided for	2	-	(23,687)	(23,687)
<b>Balance at 31 December 2010</b>		<u>588,400</u>	<u>277,874</u>	<u>866,274</u>

The accompanying notes form part of these financial statements.

**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	31 December 2010 \$	31 December 2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	552,817	572,077
Payments to suppliers and employees	(451,837)	(419,442)
Income Tax paid	(37,623)	(35,598)
Interest received	<u>24,807</u>	<u>5,234</u>
Net cash provided by operating activities	<u>88,164</u>	<u>122,271</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for plant and equipment	<u>(4,171)</u>	<u>-</u>
Net cash used in investing activities	<u>(4,171)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	<u>(23,107)</u>	<u>(2,035)</u>
Net cash used in financing activities	<u>(23,107)</u>	<u>(2,035)</u>
Net increase/(decrease) in cash held	60,886	120,236
Cash and cash equivalents at beginning of period	<u>761,334</u>	<u>567,697</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>822,220</u></u>	<u><u>687,933</u></u>

The accompanying notes form part of these financial statements.

**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

**NOTE 1: BASIS OF PREPARATION**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including *AASB 134: Interim Financial Reporting*.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Gosnells Financial Services Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the entity. It is therefore recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2010, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

**NOTE 2: DIVIDENDS**

	31 December 2010 \$	31 December 2009 \$
Distributions paid/provided for:	23,687	-

**NOTE 3: SEGMENT INFORMATION**

The company operates in the financial services sector as a branch of Bendigo Bank Limited in Western Australia.

**NOTE 4: CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the end of the last annual reporting period.

**NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE**

There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company except for the information disclosed in the Directors' report.

**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**BSX ADDITIONAL INFORMATION**

Additional information required by the Bendigo Stock Exchange Limited and not shown elsewhere in the annual report is as follows. The information is current as at 31 December 2010.

- **Substantial Shareholders – Ten largest shareholders**

		Number of Ordinary Shares	% of Issued Capital
1	Mr. Richard Everitt Thorne	19,201	3.24
2	Mr. Gerald Francis Pauley and Mr. Michael James Pauley <Pauley Super Fund a/c>	14,500	2.45
3	Mr. Gabor Marton Nagy and Ms. Patricia Dorothy Nagy	13,000	2.2
4	Miels Pty Ltd <Grevilles Super Plan a/c>	10,000	1.69
5	Ms. Doreen Ann Calway	10,000	1.69
6	Mr. Barry Kevin Mayberry	10,000	1.69
7	Mr. Walter Reeve Calway	10,000	1.69
8	Mr. William Frederick Boote and Mrs. Patricia Margaret Coote	10,000	1.69
9	Mr. Leonard George Axford	10,000	1.69
10	WA & J King Pty Ltd	10,000	1.69

- **Number of holders of each class of equity securities**

Total number of holders in fully paid ordinary shares class was 456 shareholders.

- **Voting Rights – Ordinary Shares**

Each shareholder has one vote.

- **Distribution of Shareholders**

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 – 1,000	350	166,800	28.17%
1,001 – 5,000	89	249,679	42.16%
5,001 – 10,000	14	129,000	21.78%
10,001 – 100,000	3	46,701	7.89%
100,001 and Over	0	0	0.000%
<b>Total</b>	<b>456</b>	<b>592,180</b>	<b>100%</b>



**GOSNELLS FINANCIAL SERVICES LIMITED**  
**ABN 11 095 764 533**

**BSX ADDITIONAL INFORMATION (CONT'D)**

- Number of holders holding less than a marketable parcel (\$500 of shares) were 212 shareholders as at 31 December 2010 based on a share price of \$0.81 per share.

- **Address and telephone number of the office which securities register is kept;**

Advanced Share Registry Limited  
150 Stirling Highway  
NEDLANDS WA 6009

Tel: (08) 9389 8033