

GOSNELLS FINANCIAL SERVICES LIMITED

ABN 11 095 764 533

FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2009**

MACRI



PARTNERS

Certified Practising Accountants



GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

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**This is annexure A of 14 pages referred to in Form 7051:
"Half Yearly Reports".**


Director

12 March 2010

Date

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

DIRECTORS' REPORT

The Directors of the company submit the financial report for the half-year ended 31 December 2009.

DIRECTORS

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

Bill Walter (Director and Chairperson)
Lily Bahnam (Director and Vice Chairperson)
Angela Yates (Resigned 19 January 2010)
Jacqueline Stewart (Resigned 13 January 2010)
Steve Mitchinson (Director)
Timothy Smith (Director)
Bronwyn Baker (Director)

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® branch of Bendigo Bank, pursuant to a franchise agreement.

The company recorded a net profit after income tax from ordinary activities of \$100,756 for the six months ended 31 December 2009 (six months ended 31 December 2008 was \$81,417).

The Company has declared an interim Dividend of 4 cents per share (on 3 March 2010) after the reporting date. This amount is in contrast to the 2009 financial 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 for the six months.

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.

Compliance, Finance and Strategic Planning Committee

Gosnells Financial Services Limited has established a Compliance, Finance and Strategic Planning Committee. The members of the committee are:

- Bill Walter (Chairman);
- Bronwyn Baker (Director); and
- Tanya Poynter (Financial Officer & Company Secretary).

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

DIRECTORS' REPORT (CONT'D)

CORPORATE GOVERNANCE (CONT'D)

Compliance, Finance and Strategic Planning Committee (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 Compliance, Finance and Strategic Planning 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 2009.

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



DIRECTOR

PERTH
DATED THIS 12TH DAY OF MARCH 2010.

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 2009, 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 12TH DAY OF MARCH 2010.**

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 which comprises the statement of financial position as at 31 December 2009, 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 report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control 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.

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 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 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 2009 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 12TH DAY OF MARCH 2010.


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 2009 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 12TH DAY OF MARCH 2010.

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	31 December 2009 \$	31 December 2008 \$
Revenue	517,892	485,958
Interest income	11,836	14,959
Employee benefits expense	(217,837)	(209,551)
Depreciation and amortisation expense	(10,096)	(10,286)
Other expenses	(152,576)	(164,258)
	<hr/>	<hr/>
Profit before income tax	149,219	116,822
Income tax expense	(48,463)	(35,405)
	<hr/>	<hr/>
Profit for the period	<u>100,756</u>	<u>81,417</u>
Total comprehensive income for the period	<u>100,756</u>	<u>81,417</u>
 Total comprehensive income attributable to:		
Members of the entity	<u>100,756</u>	<u>81,417</u>
 Earnings per share		
From overall operations		
Basics earnings per share (cents)	17.0	13.8
Diluted earnings per share (cents)	17.0	13.8

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 2009

	31 December 2009 \$	30 June 2009 \$
CURRENT ASSETS		
Cash and Cash Equivalents	687,933	567,697
Trade and Other Receivables	96,121	93,093
Other Current Assets	<u>8,985</u>	<u>12,987</u>
TOTAL CURRENT ASSETS	<u>793,039</u>	<u>673,777</u>
NON CURRENT ASSETS		
Property, Plant and Equipment	17,352	22,448
Deferred Tax Asset	9,314	12,555
Intangible Assets	<u>21,824</u>	<u>26,824</u>
TOTAL NON CURRENT ASSETS	<u>48,490</u>	<u>61,827</u>
TOTAL ASSETS	<u>841,529</u>	<u>735,604</u>
CURRENT LIABILITIES		
Trade and Other Payables	39,954	52,853
Current Tax Liabilities	21,595	11,971
Short-term Provisions	<u>29,394</u>	<u>30,003</u>
TOTAL CURRENT LIABILITIES	<u>90,943</u>	<u>94,827</u>
NON CURRENT LIABILITIES		
Long-term Provisions	<u>9,053</u>	<u>-</u>
TOTAL NON CURRENT LIABILITIES	<u>9,053</u>	<u>-</u>
TOTAL LIABILITIES	<u>99,996</u>	<u>94,827</u>
NET ASSETS	<u>741,533</u>	<u>640,777</u>
EQUITY		
Issued Capital	588,400	588,400
Retained Earnings	<u>153,133</u>	<u>52,377</u>
TOTAL EQUITY	<u>741,533</u>	<u>640,777</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 2009

	Note	Issued Ordinary Capital	Retained Earnings	Total
		\$	\$	\$
Balance at 1 July 2008		588,400	(29,019)	559,381
Profit attributable to the members of the company		-	81,417	81,417
Dividends paid or provided for	2	-	(44,662)	(44,662)
Balance at 31 December 2008		<u>588,400</u>	<u>7,736</u>	<u>596,136</u>
 Balance at 1 July 2009		 588,400	 52,377	 640,777
Profit attributable to the members of the company		-	100,756	100,756
Dividends paid or provided for	2	-	-	-
Balance at 31 December 2009		<u>588,400</u>	<u>153,133</u>	<u>741,533</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 2009

	31 December 2009 \$	31 December 2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	572,077	517,990
Payments to suppliers and employees	(419,442)	(415,916)
Income Tax paid	(35,598)	(93,422)
Interest received	<u>5,234</u>	<u>12,383</u>
Net cash provided by operating activities	<u>122,271</u>	<u>21,035</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	<u>-</u>	<u>(2,601)</u>
Net cash used in investing activities	<u>-</u>	<u>(2,601)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	<u>(2,035)</u>	<u>(44,662)</u>
Net cash used in financing activities	<u>(2,035)</u>	<u>(44,662)</u>
Net increase/(decrease) in cash held	120,236	(26,228)
Cash and cash equivalents at beginning of period	<u>567,697</u>	<u>547,937</u>
Cash and cash equivalents at end of period	<u>687,933</u>	<u>521,710</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 2009

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including *AASB 134: Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

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 2009, 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 except for the adoption of the following new and revised Accounting Standards.

Accounting Standards not previously applied

The Company has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- the adoption of the single statement approach to the presentation of the statement of comprehensive income; and
- other financial statements are renamed in accordance with the standard.

GOSNELLS FINANCIAL SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 2: DIVIDENDS

	31 December 2009	31 December 2008
	\$	\$
Distributions paid/provided for:	-	44,662

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.

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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 2009.

- **Substantial Shareholders – Ten largest shareholders**

		Number of Ordinary Shares	% of Issued Capital
1	Gabor Nagy & Patricia Nagy	13,000	2.193
2	Richard Everitt Thorne	12,701	2.143
3	Barry Kevin Mayberry	10,000	1.687
4	Miels Pty Ltd	10,000	1.687
5	Doreen Ann Calway	10,000	1.687
6	Leonard George Axford	10,000	1.687
7	Peter Horn & Elvira Horn	10,000	1.687
8	Walter Reeve Calway	10,000	1.687
9	William Coote & Patricia Coote	10,000	1.687
10	WA & J King Pty Ltd	10,000	1.687

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

Total number of holders in fully paid ordinary shares class was 468 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	356	171,800	28.987%
1,001 – 5,000	96	266,179	44.911%
5,001 – 10,000	14	129,000	21.766%
10,001 – 100,000	2	25,701	4.336%
100,001 and Over	0	0	0.000%
Total	468	592,680	100%

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BSX ADDITIONAL INFORMATION (CONT'D)

- Number of holders holding less than a marketable parcel (\$500 of shares) were 246 shareholders.
- **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