



## Appendix 4E

## PRELIMINARY FINAL REPORT

Gowing Bros. Limited  
 ABN 68 000 010 471  
 Suite 21, Jones Bay Wharf  
 26 – 32 Pirrama Rd  
 PYRMONT NSW 2009  
 T: 61 2 9264 6321 F: 61 2 9264 6240  
[www.gowings.com](http://www.gowings.com)

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

Entity:	GOWING BROS. LIMITED
Reporting period:	YEAR ENDED 31 JULY 2009
Previous corresponding period:	YEAR ENDED 31 JULY 2008

RESULTS				
Revenue from operating activities	Down	11%	To	\$8,306,000
Profit before income tax (including capital gains)	Down	74%	To	\$4,785,000
Profit after income tax	Down	60%	To	\$6,243,000

The decrease in profits is primarily due to impairment charges on the listed equity portfolio having to be recorded in the income statement rather than the balance sheet as in prior years and a material decrease in the managed private equity portfolio valuations. A better reflection of the company's performance can be obtained from the movement in net assets per share.

**Net assets per share before allowing for tax on unrealised gains decreased 8.9% to \$3.23 during the year after the payment of 25c in dividends (refer Shareholder Return table below).** If the company was to sell all of its investments, net assets per share would decrease to \$3.18 after allowing for tax on unrealised gains.

The decrease in net assets was marginally better than the market which fell 10.2% for the same period. A strong 2<sup>nd</sup> half performance saw the company's 1<sup>st</sup> half loss of 15.4% reduce to 8.9% by year end driven by strong gains in the listed equity portfolio. As at year end, the company's portfolio was weighted 60% listed equities, 29% cash, 9% managed private equity and 2% property.

Shareholder Returns for the year ending	31 July 2009	31 July 2008	31 July 2007
	Per Share	Per Share	Per Share
Opening net assets *	\$3.82	\$4.71	\$3.87
Closing net assets *	\$3.23	\$3.82	\$4.71
(Decrease) / increase	(\$0.59)	(\$0.89)	\$0.84
+ Ordinary dividends paid	\$0.10	\$0.10	\$0.10
+ Special dividends paid	\$0.15	\$0.10	-
Total return	(\$0.34)	(\$0.69)	\$0.94
<b>Total return %</b>	<b>(8.9%)</b>	<b>(14.6%)</b>	<b>24.3%</b>
S&P ASX 200 Accumulation Index	(10.2%)	(15.6%)	25.3%

\* Before allowing for tax on unrealised gains



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DIVIDENDS			2009	2008
	PAYMENT DATE	FRANKING	CENTS PER SHARE	CENTS PER SHARE
<b>Special dividend declared* (record date 13/10/09)</b>	<b>27/10/09</b>	<b>100%</b>	<b>5.0c</b>	
<b>Final dividend declared* (record date 13/10/09)</b>	<b>27/10/09</b>	<b>100%</b>	<b>5.0c</b>	
Special dividend paid*	26/06/09	100%	10.0c	
Special dividend paid*	24/04/09	100%	5.0c	
Interim dividend paid*	24/04/09	100%	5.0c	
Final dividend paid*	24/10/08	100%		5.0c
Interim dividend paid*	24/04/08	100%		5.0c
Special dividend paid*	24/04/08	100%		5.0c
Total			30c	15c

\* Fully franked LIC Capital Gains dividend

The Dividend Reinvestment Plan (DRP) will be operational for both the final and special dividends declared. The DRP price will be at a 10% discount to the last closing price on the 10th working day after the announcement to the market of the Appendix 4E. The DRP will effectively be fully underwritten by Taylor Collison Limited and confirmed participation of certain major shareholders.



## Appendix 4E

## INCOME STATEMENT

FOR THE YEAR ENDED 31 JULY 2009

	Notes	31 July 2009 \$000	31 July 2008 \$000
<b>Revenue</b>			
Interest income		4,566	3,497
Listed equities		2,829	4,608
Private equities		437	479
Investment properties		471	769
Other revenue		3	-
<b>Total Revenue</b>	2	<b>8,306</b>	<b>9,353</b>
<b>Other Income</b>			
Gains (losses) on disposal or revaluation of:			
- Listed equities		12,011	13,154
- Private equities		(5,547)	491
- Investment properties		-	1,479
- Development properties		458	(2,176)
FX gains (losses)		202	(26)
Other income		857	30
<b>Total Revenue and Income</b>	2	<b>16,287</b>	<b>22,305</b>
<b>Expenses</b>			
Investment & Development property related expenses		273	198
Administration expenses		208	231
Borrowing cost expenses		930	990
Depreciation expenses		74	68
Employee expenses		764	1,680
Public company expenses		341	375
<b>Total Expenses</b>		<b>2,590</b>	<b>3,542</b>
<b>Profit before impairment and income tax</b>		<b>13,697</b>	<b>18,763</b>
<b>Impairment</b>			
Unrealised impairment Listed equities		8,912	-
<b>Total Impairment</b>		<b>8,912</b>	-
<b>Profit before income tax expense</b>	3	<b>4,785</b>	<b>18,763</b>
Income tax (expense)/benefit	4	1,458	(3,061)
<b>Profit from continuing operations</b>		<b>6,243</b>	<b>15,702</b>
<b>Profit attributable to members of Gowing Bros. Limited</b>	6	<b>6,243</b>	<b>15,702</b>
Basic and diluted earnings per share	7	14.66c	36.79c

The income statement should be read in conjunction with the accompanying notes.



## Appendix 4E

**BALANCE SHEET**

AS AT 31 JULY 2009

	Notes	31 July 2009 \$000	31 July 2008 \$000
<b>Current Assets</b>			
Cash and cash equivalents		6,808	51,839
Trade and other receivables		13,063	4,397
Commonwealth Government Securities		30,163	-
Investment properties		3,580	3,569
Other		211	599
<b>Total Current Assets</b>		<b>53,825</b>	<b>60,404</b>
<b>Non-Current Assets</b>			
Receivables		478	431
Investments - listed Australian equities		80,243	77,593
Investments - listed global equities		2,506	13,249
Investments - private equities		13,732	19,036
Investment properties		6,810	6,745
Development properties		2,539	2,156
Property, plant and equipment		3,311	3,300
Deferred tax assets		5,917	86
Other		331	404
<b>Total Non-Current Assets</b>		<b>115,867</b>	<b>123,000</b>
<b>Total Assets</b>		<b>169,692</b>	<b>183,404</b>
<b>Current Liabilities</b>			
Trade and other payables		13,290	927
Financial liabilities		229	-
Borrowings		10,842	-
Tax liabilities		3,707	6,003
<b>Total Current Liabilities</b>		<b>28,068</b>	<b>6,930</b>
<b>Non-Current Liabilities</b>			
Payables		87	42
Borrowings		3,499	14,397
Deferred tax liabilities		2,440	4,704
Provisions		158	115
<b>Total Non-Current Liabilities</b>		<b>6,184</b>	<b>19,258</b>
<b>Total Liabilities</b>		<b>34,252</b>	<b>26,188</b>
<b>Net Assets</b>		<b>135,440</b>	<b>157,216</b>
<b>Equity</b>			
Issued capital		(895)	(1,111)
Reserves	5	95,639	105,390
Retained profits	6	40,696	52,937
<b>Total Equity</b>		<b>135,440</b>	<b>157,216</b>

The balance sheet should be read in conjunction with the accompanying notes.



## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2009

	31 July 2009	31 July 2008
	\$000	\$000
<b>Equity at the beginning of the year</b>	157,216	182,276
Profit attributable to shareholders for the year	6,243	15,702
Changes in the fair value of listed equities, net of tax	(17,606)	(31,580)
	<b>145,853</b>	<b>166,398</b>
Transactions with shareholders in their capacity as shareholders:		
Decreases through buybacks of shares	-	(712)
Increase through issue of share capital	-	50
Dividend reinvestment plan	215	-
Dividends paid	(10,628)	(8,520)
<b>Equity at the end of the year attributable to shareholders</b>	<b>135,440</b>	<b>157,216</b>

The statement of changes in equity should be read in conjunction with the accompanying notes.

**CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31 JULY 2009

	31 July 2009 \$000	31 July 2008 \$000
<b>Cash Flows from Operating Activities</b>		
Receipts in the course of operations (inclusive of GST)	800	1,781
Payments to suppliers and employees (inclusive of GST)	(2,082)	(2,655)
Dividends received	3,241	4,007
Interest received	3,767	3,368
Borrowing costs	(930)	(990)
Income taxes refunded (paid)	(5,166)	(1,427)
<b>Net Cash Inflow from Operating Activities</b>	<b>(370)</b>	<b>4,084</b>
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of property, plant and equipment	(121)	(268)
Payments for the purchases of development properties	(1,652)	(4,321)
Payments for purchases of equity investments & CGS	(123,796)	(63,778)
Proceeds from sale of equity investments	86,698	103,073
Proceeds from sale of property and other assets	4,710	10,263
Proceeds from loan repayments	-	282
<b>Net Cash (Outflow) Inflow from Investing Activities</b>	<b>(34,161)</b>	<b>45,251</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	981	832
Payments for shares bought back	-	(663)
Repayment of borrowings	(1,069)	(1,300)
Dividends paid	(10,412)	(8,519)
<b>Net Cash (Outflow) Inflow from Financing Activities</b>	<b>(10,500)</b>	<b>(9,650)</b>
<b>Net (Decrease) Increase in Cash Held</b>	<b>(45,031)</b>	<b>39,685</b>
Cash at the beginning of the period	51,839	12,154
<b>Cash at the end of the period</b>	<b>6,808</b>	<b>51,839</b>
<b>Reconciliation of Cash</b>		
Cash at bank and on hand	6,808	26,328
Deposits at call	-	25,511
<b>Cash at the end of the period</b>	<b>6,808</b>	<b>51,839</b>

The cash flow should be read in conjunction with the accompanying notes.



## NOTES TO THE FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This preliminary general purpose final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The preliminary final report is presented in Australian dollars and is prepared under the historical cost convention, modified by the revaluation of listed equities (available-for-sale financial assets), private equities (financial assets at fair value through profit or loss) and investment properties.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures the financial statements of Gowing Bros. Limited comply with International Financial Reporting Standards (IFRS).

Conforming with AIFRS requires 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 the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these sources.

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.

This report is based on financial statements which are in the process of being audited.



## NOTES TO THE FINANCIAL STATEMENTS

	31 July 2009	31 July 2008
	\$000	\$000
<b>2. SEGMENT INFORMATION</b>		
<b>Segment Revenue</b>		
Cash and fixed interest – interest received	4,566	3,497
Listed equities – dividends and option income	2,829	4,608
Private equities – distributions received	437	479
Investment properties – rent received	471	769
Other	3	-
	<b>8,306</b>	<b>9,353</b>
<b>Segment Other Income</b>		
Listed equities – realised gains on disposal	12,011	13,154
Private equities – realised gains on disposal	-	1,868
Private equities – unrealised fair value gains	(5,547)	(1,377)
Investment properties – realised gain on disposal	-	2,353
Investment properties – unrealised fair value gains	-	(874)
Development properties – realised gains on disposal	458	74
Development properties – unrealised fair value gains	-	(2,250)
Other	1,059	4
	<b>7,981</b>	<b>12,952</b>
<b>Total Segment Revenue and Income</b>	<b>16,287</b>	<b>22,305</b>
<b>Segment Result</b>		
Cash and fixed interest	4,566	3,497
Listed equities	5,928	17,762
Private equities	(5,211)	970
Investment properties	(611)	2,051
Development properties	439	(2,176)
Other	(326)	(3,341)
	<b>4,785</b>	<b>18,763</b>
Income tax (expense) credit	1,458	(3,061)
<b>Net Profit</b>	<b>6,243</b>	<b>15,702</b>
<b>3. OPERATING PROFIT</b>		
Profit from continuing operations before income tax expense includes the following specific items:		
Depreciation	74	68
Interest expense	930	990





## NOTES TO THE FINANCIAL STATEMENTS

	31 July 2009	31 July 2008
	\$000	\$000
<b>4. INCOME TAX</b>		
Prima facie tax expense on the net profit at 30%	1,436	5,629
Tax effect of permanent differences:		
Non-assessable income	(2,357)	(1,177)
Non-deductible expenses	1	-
Income tax incentive	(10)	-
Franked dividends	(452)	(1,165)
Deferred tax asset on tax losses carried forward	-	(106)
Under (over) provision for taxable income in prior year	(76)	(120)
	<b>(1,458)</b>	<b>3,061</b>
<b>5. RESERVES</b>		
Capital profits reserve – pre CGT profits	90,503	82,647
Investment revaluation reserve – listed equities	5,136	22,743
	<b>95,639</b>	<b>105,390</b>
<b>6. RETAINED PROFITS</b>		
Retained profits at the beginning of the financial year	52,937	49,509
Net profit attributable to members of Gowing Bros. Limited	6,243	15,702
Aggregate of amounts transferred (to) from reserves	(7,856)	(3,754)
Dividends provided for or paid	(10,628)	(8,520)
	<b>40,696</b>	<b>52,937</b>
<b>7. EARNINGS PER SHARE (EPS)</b>		
Earnings reconciliation:		
Net profit	6,243	15,702
<b>Basic and diluted earnings</b>	<b>6,243</b>	<b>15,702</b>
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share.	42,516,500	42,685,122
At balance date there were no options on issue.		



## NOTES TO THE FINANCIAL STATEMENTS

	31 July 2009	31 July 2008
	\$000	\$000

**8. NTA BACKING**

NTA per ordinary security before tax on unrealised gains	\$3.23	\$3.82
NTA per ordinary security after tax on unrealised gains	\$3.18	\$3.70

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

**9. DIVIDENDS**

	CENTS PER SHARE	TOTAL AMOUNT \$000	DATE OF PAYMENT
The following dividends were declared and paid by the entity:			
Special dividend	10.0c	4,251	26 June 2009
Interim dividend 31 January 2009	5.0c	2,126	24 April 2009
Special dividend 31 January 2009	5.0c	2,126	24 April 2009
Final dividend 31 July 2008	5.0c	2,126	24 October 2008

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

Final Dividend 31 July 2009	5c	27 October 2009
Special Dividend 31 July 2009	5c	27 October 2009

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 year ended 31 July 2009 and will be recognised in subsequent financial reports.

The Dividend Reinvestment Plan (DRP) will be operational for both the final and special dividends declared. The DRP price will be at a 10% discount to the last closing price on the 10th working day after the announcement to the market of the Appendix 4E. The DRP will effectively be fully underwritten by Taylor Collison Limited and confirmed participation of certain major shareholders.



## NOTES TO THE FINANCIAL STATEMENTS

### 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 July 2009 %	31 July 2008 %	31 July 2009 \$000	31 July 2008 \$000
Joint Ventures:				
Bunya Pines Estate Joint Venture	50.00%	50.00%	75	74
Regional Retail Properties	50.00%	50.00%	160	36
The Lodge of Dundee	-	14 December 2007*	-	14
Kemp Street Joint Venture	-	12 February 2008	-	100
Erlington Partnership	50.00%	50.00%	(10)	4
Yarrowonga Joint Venture	50.00%	50.00%	364	-
			<b>589</b>	<b>228</b>

\*Deferred consideration of \$2.2m due in December 2008

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

	No. quoted	Total No.
Ordinary Securities:		
Opening balance	42,513,419	42,686,065
Increase dividend reinvestment plan	74,959	-
Decreases through returns of capital, buybacks	-	(187,139)
Deferred employee share plan	-	14,493
	<b>42,588,378</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.

- As noted above, the decrease in profits is primarily due to impairment charges on the listed equity portfolio having to be recorded in the income statement rather than the balance sheet as in prior years and a material decrease in the managed private equity portfolio valuations.

#### 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.

- Financial markets have improved since year end. Significant movements in share prices may have a material effect on the value of the portfolio.

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

- The Company has sufficient franking credits (\$13.7 million) to fully frank all dividends that have been declared.

#### Annual Meeting

- The Annual Meeting will be held on Thursday, 26 November 2009.