



G O W I N G B R O S

EST. 1868

Investing together for a secure future

APPENDIX 4D STATEMENT

For the Half-Year Ended 31 January 2014

Contents

- Results for announcement to the market
- Appendix 4D accounts
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- Independent Auditors' Review report



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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half-year ended 31 January 2014 with the previous corresponding period being the half-year ended 31 January 2013. The results have been reviewed by the company's auditors.

SHAREHOLDER RETURNS

For the six months ended 31 January 2014	Before tax on unrealised gains	After tax on unrealised gains
Net assets per share as at 31 Jan 2014	\$3.36	\$3.27
Net assets per share as at 31 July 2013	\$3.29	\$3.21
Increase in net assets per share over six months	\$0.07	\$0.06
Plus ordinary dividend paid	\$0.06	\$0.06
Total Return for the six month period	\$0.13	\$0.12
Total Return % for the six month period	4.0%	3.7%

Comments:

The company's net assets per share was \$3.36 as at 31 January 2014 (31 July 2013: \$3.29) before allowing for tax on unrealised capital gains.

Net assets per share after allowing for the tax on unrealised gains would be \$3.27 (31 July 2013: \$3.21) if the company was to sell its entire long term investment portfolio and pay the associated tax.

Net assets per share increased by 7c during the half year after the payment of a 6c fully franked dividend to shareholders. The total return of 13c represents a 4% shareholder return for the 6 month period or 8% annualised. Shareholder returns are after the payment of all operating expenses and taxes, they also include the benefit of the franked dividend paid during the period.

DIVIDENDS	31 Jan 2014	31 July 2013
Interim dividend paid or declared	6.0c*	6.0c

* The Directors have declared an interim ordinary dividend of 6c per share fully franked with a record date of 10th April 2014, payable 24th April 2014.



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RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half year ended	31 Jan 2014	31 Jan 2013	Year on Year
Revenue from Ordinary Activities	\$000	\$000	Movement
Interest income	103	456	(77%)
Investment property rent	8,942	8,565	4%
Listed equity dividends	901	621	45%
Private equity earnings	350	(14)	n/a
Total Revenue from Ordinary Activities	10,296	9,628	7%
Expenses			
Investment and development property	3,893	3,507	11%
Borrowing cost	1,611	1,661	(3%)
Administration and public company	1,607	1,468	9%
Total Expenses	7,111	6,636	7%
Net Income from Ordinary Activities	3,185	2,992	6%
Other Income	3,658	6,590	(44%)
Unrealised impairment on listed equities	(374)	-	100%
Profit Before Tax	6,469	9,582	(32%)
Income tax expense	(1,685)	(2,780)	(39%)
Profit After Tax	4,784	6,802	(30%)
Net increase in fair value of investments net of tax	968	2,025	(52%)
Total Comprehensive Income	5,752	8,827	(35%)

Gowings' approach:

The Directors and management focus on growing the Company's 'Net Income from Ordinary Activities' (i.e. interest, rent and dividends received less operating expenses) as the principal source of income used to pay ordinary dividends.

Comments on results for the half year:

Total Revenue from Ordinary Activities of \$10.3 million was 7% higher than in the first half of last year due to an increase in rental receipts from both Coffs Central and Port Central, a strong pick up in dividends received from the listed equities portfolio and a significant distribution received from the realisation of the indirect investment in Life Healthcare Limited, held by both Crescent Capital and Macquarie Wholesale managed private equity funds in which the company has invested.

Net Income from Ordinary Activities of \$3.2 million was 6% higher than the same period last year due to the 7% increase in revenues being partially offset by a 7% increase in expenses. The results for the half year were still being impacted by higher property expenses incurred during the Stage 1 refurbishment of Coffs Central which was not completed until late last calendar year. Rental receipts were also being impacted by rental abatements and higher vacancies associated with the refurbishment.



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RESULTS FOR ANNOUNCEMENT TO THE MARKET

Comments on results for the half year: (continued)

Both the increase in expenses and reductions in rent during the Coffs Central refurbishment period will materially reverse in the second half of this financial year and the next full financial year, as rental abatements expire and the new retailers commence paying rent.

Profit After Tax of \$4.8 million was 30% lower than for the same period last year, largely because last year's results included as other income \$4.8 million from the recovery of a previously written off Collateralised Debt Obligation (CDO).

Total Comprehensive Income of \$5.7 million was also lower than last year, primarily due to the recovery in the previous corresponding period of the CDO mentioned above, and a comparatively lower appreciation in the value of the listed equity portfolio during the period.



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

REVIEW OF OPERATIONS

Refer to Results for Announcement to the Market.

ROUNDING OFF

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration given to the Directors by the lead auditor for the review undertaken by HLB Mann Judd is included in page 20.

Dated at Sydney this 28th day of March 2014 in accordance with a resolution of the directors.

J. E. Gowing
Managing Director



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STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 JANUARY 2014

	Notes	31 January 2014 \$'000	31 January 2013 \$'000
Revenue			
Interest income		103	456
Equities		901	621
Private equities		350	(14)
Investment properties		8,942	8,565
Total Revenue		10,296	9,628
Other Income			
Gains (losses) on disposal or revaluation of:			
- Equities		(181)	5,747
- Private equities		439	398
- Investment properties		3,029	-
- Development properties		-	443
- Other		(3)	2
Total Revenue and other Income		13,580	16,218
Expenses			
Investment properties		3,893	3,507
Administration		406	218
Borrowing costs		1,611	1,661
Depreciation		58	65
Employee benefits		915	1,029
Public company		228	156
Total Expenses		7,111	6,636
Profit from continuing operations before income tax expense		6,469	9,582
Income Tax expense	3	(1,685)	(2,780)
Profit from continuing operations	2	4,784	6,802
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Net increase in fair value of investments net of tax		968	2,025
Total Comprehensive Income		5,752	8,827
Basic earnings per share	7	9.8c	13.9c

The statement of comprehensive income should be read in conjunction with the notes as set out on pages 9 to 18.



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BALANCE SHEET

AS AT 31 JANUARY 2014

	Notes	31 January 2014 \$'000	31 July 2013 \$'000
Current Assets			
Cash and cash equivalents		6,675	6,784
Trade and other receivables		1,091	1,174
Development properties		971	-
Other		1,443	968
Total Current Assets		10,180	8,926
Non-Current Assets			
Receivables		1,883	1,933
Equities		40,445	40,050
Private equities		4,202	5,954
Unlisted bonds		501	503
Development properties		1,435	1,435
Investment properties	4	155,433	150,118
Property plant & equipment		2,888	2,850
Deferred tax assets		5,881	5,926
Other		962	601
Total Non-Current Assets		213,630	209,370
Total Assets		223,810	218,296
Current Liabilities			
Trade and other payables		2,694	3,251
Borrowings	15	17,083*	2,110
Current tax liabilities		305	-
Provisions		272	277
Total Current Liabilities		20,354	5,638
Non-Current Liabilities			
Borrowings		33,246	47,013
Provisions		199	185
Deferred tax liabilities		9,917	8,178
Total Non-Current Liabilities		43,362	55,376
Total Liabilities		63,716	61,014
Net Assets		160,094	157,282
Equity			
Contributed equity		13,294	13,294
Reserves	5	100,871	99,903
Retained profits	6	45,929	44,085
Total Equity		160,094	157,282

The balance sheet should be read in conjunction with the notes as set out on pages 9 to 18.

*The company is in the final process of refinancing and rolling over its \$14 million 3 year debt facility for Coffs Central which is due to expire in November this year. On completion of the refinancing this debt will be reclassified as a non-current liability.



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STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 JANUARY 2014

	Contributed Equity \$'000	Capital Profits Reserve- Pre CGT Profits \$'000	Investment Revaluation Reserve- Equities \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 August 2012	13,294	90,503	4,271	42,445	150,513
Total comprehensive income for the half-year	-	-	2,025	6,802	8,827
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	-	(2,696)	(2,696)
Balance at 31 January 2013	13,294	90,503	6,296	46,551	156,644
Balance at 1 August 2013	13,294	90,503	9,400	44,085	157,282
Total comprehensive income for the half-year	-	-	968	4,784	5,752
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	-	(2,940)	(2,940)
Balance at 31 January 2014	13,294	90,503	10,368	45,929	160,094

The statement of changes in equity should be read in conjunction with the notes as set out on pages 9 to 18.



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STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 JANUARY 2014

	31 January 2014	31 January 2013
	\$'000	\$'000
Cash Flows from Operating Activities		
Receipts in the course of operations (inclusive of GST)	10,828	8,751
Payments to suppliers and employees (inclusive of GST)	(6,686)	(5,741)
Dividends received	733	606
Interest received	108	496
Borrowing costs	(1,611)	(1,661)
Income taxes paid	(9)	(522)
Net Cash inflow from Operating Activities	3,363	1,929
Cash Flows from Investing Activities		
Payments for purchases of property, plant and equipment	(96)	(3)
Payments for purchases of equity investments	(1,077)	(2,148)
Payments for purchase of property	(3,257)	(10,848)
Proceeds from sale of equity investments	2,692	6,048
Proceeds from sale of property & other assets	-	2,365
Net Cash outflow from Investing Activities	(1,738)	(4,586)
Cash Flows from Financing Activities		
Loans issued	-	(80)
Proceeds from borrowings	1,237	-
Repayment of borrowings	(31)	(5)
Dividends paid	(2,940)	(2,695)
Net Cash outflow from Financing Activities	(1,734)	(2,780)
Net (decrease) in Cash Held	(109)	(5,437)
Cash at the beginning of the period	6,784	20,650
Cash at the end of the period	6,675	15,213

The statement of cash flows should be read in conjunction with the notes as set out on pages 9 to 18.



NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the company as at and for the year ended 31 July 2013. 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 equities (available-for-sale financial assets), private equities (financial assets at fair value through profit or loss), unlisted bonds and investment properties (at fair value through profit or loss).

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

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

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the company's financial statements as at and for the year ended 31 July 2013. The following changes in accounting policies are also expected to be reflected in the company's financial statements as at and for the year ended 31 July 2014.

New accounting policies

Fair value measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurement are required or permitted by other AASBs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required in interim financial statements for financial instruments; accordingly, the company has included additional disclosures in this regard (see Note 9).



NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The company has adopted AASB 13 Fair Value Measurement with effect from 1 August 2013. In accordance with the transitions provision AASB 13 has been applied prospectively from that date. As a result, the company has adopted a new definition of fair value, as set out below. The change has no material impact on the measurement of the company's assets and liabilities. However, the company has included new disclosures in the financial statements which are required under AASB 13 for interim financial reporting.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

When applicable, the company measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.



NOTES TO THE INTERIM FINANCIAL STATEMENTS

	31 January 2014	31 January 2013
	\$'000	\$'000

2. SEGMENT INFORMATION**Business segments**

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

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

The company operates only in Australia.

Segment revenue

Cash and fixed interest – interest received	103	456
Equities – dividends and option income	901	621
Private equities – distributions received	350	(14)
Investment properties – rent received	8,942	8,565
Total segment revenue	10,296	9,628

Segment other income

Equities – realised (losses) gains on disposal	(181)	5,747
Private equities – unrealised fair value gain	439	398
Investment properties – unrealised fair value gain	3,029	-
Development properties – realised gains on disposal	-	443
Other	(3)	2
Total other income	3,284	6,590
Total segment revenue and other income	13,580	16,218

Segment result

Cash and fixed interest	87	442
Equities	720	1,487
Private equities	789	383
Investment properties	6,470	3,401
Unlisted bonds	16	14
Development properties	-	443
Other	(1,613)	3,412
	6,469	9,582
Income tax expense	(1,685)	(2,780)
Net profit after tax	4,784	6,802



NOTES TO THE INTERIM FINANCIAL STATEMENTS

	31 January 2014	31 July 2013
	\$'000	\$'000

2. SEGMENT INFORMATION (CONTINUED)

Segment assets

Cash and interest receivable	6,907	7,065
Equities	40,445	40,050
Private equities	4,202	5,954
Investment properties	155,433	150,118
Unlisted bonds	501	503
Development properties	2,406	1,435
Unallocated assets	13,916	13,171
Total assets	223,810	218,296

Segment liabilities

Investment properties	49,075	49,100
Unallocated liabilities	14,641	11,914
Total liabilities	63,716	61,014

	31 January 2014	31 January 2013
	\$'000	\$'000

3. INCOME TAX

Prima facie tax expense on the net profit at 30%	1,941	2,874
Tax effect of permanent differences:		
Other	-	79
(Non-taxable) Non-deductible expenses	-	(8)
Franked dividends	(256)	(165)
Income tax expense on operating profit	1,685	2,780
Income Tax Expense	1,685	2,780



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NOTES TO THE INTERIM FINANCIAL STATEMENTS

	31 January 2014 \$'000	31 July 2013 \$'000
4. NON-CURRENT INVESTMENT PROPERTIES		
Land and buildings – at fair value	155,433	150,118
At fair value		
Balance at beginning of year	150,118	132,587
Transfers from current to non-current	-	2,650
Additions	2,286	15,921
Net gain (loss) from fair value adjustment	3,029	(1,040)
Balance at end of year	155,433	150,118

	31 January 2014 \$'000	31 January 2013 \$'000
Amounts recognised in profit or loss for investment purposes		
Rental revenue	8,942	8,440
Gain on revaluation of investment properties	3,029	-
Direct operating expenses from rental generating properties	(5,503)	(3,456)
	6,468	4,984

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

	Valuation Method	Acquisition Date	Cost including All additions \$'000	Cap Rate (%)	31 January 2014 \$'000	31 July 2013 \$'000
Port Central SC						
Port Macquarie NSW	(a)	Dec 2009	62,358	8.75%	70,000	67,900
Coffs Central SC						
Coffs Harbour, NSW	(a)	Nov 2011	50,886	9.0%	48,500	46,300
Kempsey Central SC						
Kempsey, NSW	(a)	Mar 2010	15,899	10.0%	14,613	14,500
Moonee Marketplace						
Moonee Beach, NSW	(a)	May 2010	13,665	9.75%	13,665	13,550
35-39 Wharf St						
Forster NSW	(b)	Feb 2005	1,566	n/a	1,479	1,479
Other Properties	(b)	1997 – 2013	8,408	n/a	7,176	6,389
Total			152,782		155,433	150,118

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

	<i>Port Central Shopping Centre</i>	<i>Coffs Central Shopping Centre</i>	<i>Kempsey Central Shopping Centre</i>	<i>Moonee Marketplace Shopping Centre</i>
Acquisition date	18-Dec-09	4-Nov-11	12-Mar-10	13-May-10
Period of ownership	49 months	27 months	46 months	44 months
Age of centre	18.5 years	26.5 years	5.5 years	7.5 years
Location	Port Macquarie	Coffs Harbour	Kempsey	Coffs Harbour
Shopping centre type	Sub-regional	Sub-regional	Neighbourhood	Neighbourhood
Majors	Super IGA, Target	Big W, Best & Less	Coles, Target	Coles
Specialties	63	68	14	37
Specialty occupancy	94%	85%	86%	54%

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



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NOTES TO THE INTERIM FINANCIAL STATEMENTS

	31 January 2014	31 July 2013
	\$'000	\$'000

5. RESERVES

Capital profits reserve	90,503	90,503
Investment revaluation reserve – equities	10,368	9,400
Total Reserves	100,871	99,903

6. RETAINED PROFITS

Retained profits at the beginning of the financial period	44,085	42,445
Net profit attributable to members of Gowing Bros. Limited	4,784	7,275
Dividends provided for or paid	(2,940)	(5,635)
Retained Profits at end of the financial period	45,929	44,085

	31 January 2014	31 January 2013
	\$'000	\$'000

7. EARNINGS PER SHARE (EPS)

Earnings reconciliation:		
Net profit	4,784	6,802
Basic and diluted earnings	4,784	6,802
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share.	49,003,325	49,003,325
Basic and diluted earnings per share	9.8c	13.9c

At balance date there were no options on issue.

	31 January 2014	31 July 2013
	\$'000	\$'000

8. NET TANGIBLE ASSET BACKING

NTA per ordinary security before tax on unrealised gains on equities	\$3.36	\$3.29
NTA per ordinary security after tax on unrealised gains on equities	\$3.27	\$3.21

The company is a long term investor and does not intend on disposing of its investment portfolio.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS

9. FINANCIAL INSTRUMENTS

The company's accounting policy on fair value measurements is discussed in note 1.

a) Fair value Hierarchy

The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date.

Level 2: inputs other quoted prices included within level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: unobservable inputs for the assets or liability.

The following tables present the company's assets measured and recognised at fair value on a recurring basis at 31 January 2014 and 31 July 2013.

31 January 2014	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets available for sale				
Investments – Australian equities	29,004	-	7,904	36,908
Investments – Global equities	3,537	-	-	3,537
Investments – unlisted bonds	-	-	501	501
Financial assets designated at fair value through profit or loss				
Investments – private equities	-	-	4,202	4,202
Investments – properties	-	-	155,433	155,433
Total financial assets	32,541	-	168,040	200,581

31 July 2013	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets available for sale				
Investments – Australian equities	29,740	-	6,993	36,733
Investments – Global equities	3,317	-	-	3,317
Investments – unlisted bonds	-	-	503	503
Financial assets designated at fair value through profit or loss				
Investments – private equities	-	-	5,954	5,954
Investments – properties	-	-	150,118	150,118
Total financial assets	33,057	-	163,568	196,625



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NOTES TO THE INTERIM FINANCIAL STATEMENTS

9. FINANCIAL INSTRUMENTS (continued)

a) Fair value hierarchy (continued)

There were no transfers between level 1 and level 2 for recurring fair value measurements during the half year. For transfers in and out of level 3 see (c) below.

The company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

b) Disclosed fair values

For all financial instruments measured at fair value their carrying values approximates to their fair value.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31 January 2014 for recurring fair value measurements:

31 January 2014	Unlisted Equities	Unlisted Bonds	Private Equities	Investment Properties	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance 1 August 2013	6,993	503	5,954	150,118	163,568
Total gains and (losses) recognised in profit or loss - unrealised	-	(2)	2,780	3,029	5,807
Total gains and (losses) recognised in profit or loss - realised	-	-	(3,705)	-	(3,705)
Total gains and (losses) recognised in other comprehensive income	351	-	-	-	351
Purchases	560	-	-	2,286	2,846
Sales proceeds	-	-	(827)	-	(827)
31 January 2014	7,904	501	4,202	155,433	168,040

The fair value of unlisted equities is determined by the Directors taking into account recent off market trades and other relevant factors.

The fair value of unlisted bonds is determined using a discounted cash flow technique.

The fair value of private equities has been determined by reference to "fund manager's" valuations.

The fair value of investment properties has been determined by applying projected net rental income of each property to capitalisation rates for similar investment properties, as detailed in note 4. At 31 January 2014, a reduction of 0.5% in the capitalisation rate applied to each property would result in an additional gain of \$8.6 million (31 July 2013 \$8.4 million) in the statement of comprehensive income. Similarly, an increase of 0.5% in the capitalisation rate would result in an additional loss of \$7.7 million (31 July 2013 \$7.5 million) in the statement of comprehensive income.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS

10. DIVIDENDS

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

Interim dividend 31 January 2013	6.0c	2,940	26 April 2013
Final dividend 31 July 2013	6.0c	2,940	24 October 2013

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

Interim dividend 31 January 2014	6.0c	2,940	24 April 2014
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Dividends declared or paid during the period were fully franked at the tax rate of 30%.

The financial effect of the dividend declared subsequent to reporting date has not been brought to account in the financial statements for the half-year ended 31 January 2014 and will be recognised in subsequent financial reports.

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

11. 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 2014 %	31 January 2013 %	31 January 2014 \$'000	31 January 2013 \$'000

Joint Ventures:

Elrington Partnership	50	50	24	24
Regional Retail Properties	50	50	45	25
Total			69	49

12. ISSUED AND QUOTED SECURITIES AT THE END OF CURRENT PERIOD

	No. quoted	Total No.
Ordinary Securities:		
Opening Balance	49,003,325	49,003,325
Closing Balance	49,003,325	49,003,325



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NOTES TO THE INTERIM FINANCIAL STATEMENTS

13. COMMENTS BY DIRECTORS

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

Nil.

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

The Company has sufficient franking credits (\$9.2 million) to fully frank all dividends that have been declared.

14. COMMITMENTS FOR EXPENDITURE

Capital commitments

The company has uncalled capital commitments of up to \$2,450,000 (2013: 31 July 2013 \$2,518,000) over a period of up to 10 years in relation to private equity and property fund investments held at year end.

15. SUBSEQUENT EVENTS

The company is in the final process of refinancing and rolling over its \$14 million 3 year debt facility for Coffs Central which is due to expire in November this year. On completion of the refinancing this debt will be reclassified as a non-current liability



GOWING BROS

EST. 1868

Investing together for a secure future

Interim Financial Report 31 January 2014

DIRECTORS' DECLARATION

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

1. the financial statements and notes set out on pages 5 to 18 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001, and;
 - (b) giving a true and fair view of the company's financial position as at 31 January 2014 and of its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

J. E. Gowing
Managing Director
28th March 2014



Accountants | Business and Financial Advisers

GOWING BROS LIMITED
AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Gowing Bros. Limited:

As lead auditor for the review of the financial report of Gowings Bros. Limited for the half-year ended 31 January 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Sydney, NSW
28 March 2014

A handwritten signature in black ink, appearing to read 'A G Smith'.

A G Smith
Partner

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

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GOWING BROS LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gowing Bros. Limited:

We have reviewed the accompanying half-year financial report of Gowing Bros Limited ("the company"), which comprises the balance sheet as at 31 January 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 January 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Gowing Bros Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Gowing Bros Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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

- (a) giving a true and fair view of the company's financial position as at 31 January 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



HLB Mann Judd
Chartered Accountants

Sydney, NSW
28 March 2014



A G Smith
Partner