

FORM: Half yearly/preliminary final report

Name of issuer

GOSNELLS FINANCIAL SERVICES LIMITED

ACN or ARBN

11 095 765 533

Half yearly
(tick)

✓

Preliminary
final (tick)

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

31 December 2011

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A,000
Revenue (item 1.1)	down	2%	to	493
Profit (loss) for the period (item 1.9)	down	53%	to	38
Profit (loss) for the period attributable to members of the parent (item 1.11)	down	53%	to	38
Dividends		Current period	Previous corresponding period	
Franking rate applicable:		30%	30%	
Final dividend (preliminary final report only)(item 10.13-10.14)				
Amount per security		6.0 c	4.0 c	
Franked amount per security		6.0 c	4.0 c	
Interim dividend (Half yearly report only) (item 10.11 – 10.12)				
Amount per security		0 c	0 c	
Franked amount per security		0 c	0 c	

Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

n/a

Consolidated income statement *(The figures are not equity accounted)*

(see note 3)

(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues <i>(item 7.1)</i>	493	505
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(437)	(385)
1.3 Finance costs	-	-
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5 Profit (loss) before income tax	56	120
1.6 Income tax expense <i>(see note 4)</i>	(18)	(39)
1.7 Profit (loss) from continuing operations	-	-
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 Profit (loss) for the period	38	81
1.10 Profit (loss) attributable to minority interests	-	-
1.11 Profit (loss) attributable to members of the parent	38	81
1.12 Basic earnings per <i>security</i> <i>(item 9.1)</i>	6.41 c	13.66 c
1.13 Diluted earnings per <i>security</i> <i>(item 9.1)</i>	6.41 c	13.66 c
1.14 Dividends per <i>security</i> <i>(item 9.1)</i>	6.0 c	4.0 c

Comparison of half-year profits

(Preliminary final statement only)

	Current period - \$A'000	Previous corresponding period - \$A'000
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	38	81
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	-	-

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$A'000	Previous corresponding period - \$A'000
3.1	Cash and cash equivalents	929	822
3.2	Trade and other receivables	94	91
3.3	Inventories	-	-
3.4	Other current assets (Current tax assets and Prepayments)	32	7
3.5	Total current assets	1,055	920
Non-current assets			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	14	10
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	26	26
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	1	7
3.16	Other (provide details if material)	-	-
3.17	Total non-current assets	41	43
3.18	Total assets	1,096	963
Current liabilities			
3.19	Trade and other payables	75	55
3.20	Short term borrowings	-	-
3.21	Current tax payable	-	4
3.22	Short term provisions	45	22
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material)	-	-
		120	81
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	Total current liabilities	120	81

Non-current liabilities			
		Current period - \$A'000	Previous corresponding period - \$A'000
3.27	Long-term borrowings	-	-
3.28	Deferred tax liabilities	5	4
3.29	Long term provisions	14	11
3.30	Other (provide details if material)	-	-
3.31	Total non-current liabilities	19	15
3.32	Total liabilities	139	96
3.33	Net assets	957	866
Equity			
3.34	Share capital	588	588
3.35	Other reserves	-	-
3.36	Retained earnings	369	278
Amounts recognised directly in equity relating to non-current assets classified as held for sale			
3.37	Parent interest	-	-
3.38	Minority interest	-	-
3.39	Total equity	957	866

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$'000	Previous corresponding period – A\$'000
Revenues recognised directly in equity:	-	-
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	-	-
4.2 Profit for the period	38	81
4.3 Total recognised income and expense for the period	38	81
Attributable to:		
4.4 Members of the parent	38	81
4.5 Minority interest	-	-
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

Consolidated statement of cash flows*(See note 6)**(as per AASB 107: Cash Flow Statements)*

		Current period - \$A'000	Previous corresponding period - \$A'000
	Cash flows related to operating activities		
5.1	Receipts from customers	505	553
5.2	Payments to suppliers and employees	(438)	(452)
5.3	Interest and other costs of finance paid	-	-
5.4	Income taxes paid	(45)	(38)
5.5	Other (Interest received)	30	25
5.6	Net cash used in operating activities	52	88
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(2)	(4)
5.8	Proceeds from sale of property, plant and equipment	-	-
5.9	Payment for purchases of equity investments	-	-
5.10	Proceeds from sale of equity investments	-	-
5.11	Loans to other entities	-	-
5.12	Loans repaid by other entities	-	-
5.13	Interest and other items of similar nature received	-	-
5.14	Dividends received	-	-
5.15	Other (provide details if material)	-	-
5.16	Net cash used in investing activities	(2)	(4)
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	-	-
5.18	Proceeds from borrowings	-	-
5.19	Repayment of borrowings	-	-
5.20	Dividends paid	(35)	(23)
5.21	Other (provide details if material)	-	-
5.22	Net cash used in financing activities	(35)	(23)
	Net increase (decrease) in cash and cash equivalents	15	61
5.23	Cash at beginning of period <i>(see Reconciliations of cash)</i>	914	761
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	Cash at end of period <i>(see Reconciliation of cash)</i>	929	822

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

		Current period \$A'000	Previous corresponding period \$A'000
6.1	Profit <i>(item 1.9)</i>	38	81
	Adjustments for:		
6.2	Depreciation and amortisation	9	13
6.3	(Increase)/decrease in trade and other receivables	(4)	23
6.4	(Increase)/decrease in other assets	-	(3)
6.5	(Increase)/decrease in current tax assets	(23)	-
6.6	(Increase)/decrease in deferred tax assets	(3)	2
6.7	Increase/(decrease) in trade and other payables	27	(23)
6.8	Increase/(decrease) in provisions	9	(4)
6.9	Increase/(decrease) in deferred tax liabilities	(1)	(1)
6.10	Net cash from operating activities <i>(item 5.6)</i>	52	88

Notes to the financial statements

Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

		Current period - \$A'000	Previous corresponding period - \$A'000
	Revenue		
	Margin and Services Commissions	467	484
	Interest Income	26	21
7.1	Total Revenue	493	505
	Expenses		
	Employee benefits expense	(260)	(209)
	Depreciation and amortisation expense	(9)	(13)
	General Administration expenses	(103)	(92)
	IT costs	(13)	(20)
	Occupancy and associated costs	(47)	(45)
	ATM expenses	(5)	(6)
7.2	Total Expenses	(437)	(385)
	Profit (loss) before tax	56	120

Ratios

		Current period	Previous corresponding period
	Profit before tax / revenue		
8.1	Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	11.46%	23.71%
	Profit after tax / equity interests		
8.2	Consolidated profit (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)	3.97%	9.34%

Earnings per Security

9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

	Current Period	Previous Corresponding Period
Dividends Paid	35,531	23,687
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	592,180	592,180
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	592,180	592,180

Dividends

10.1 Date the dividend is payable

30/09/11

10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

22/09/11

10.3 If it is a final dividend, has it been declared?

(Preliminary final report only)

10.4 The dividend or distribution plans shown below are in operation.

n/a

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

10.5 Any other disclosures in relation to dividends or distributions

n/a

Dividends paid or provided for on all securities*(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)*

	Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
Dividends paid or provided for during the reporting period			
10.6 Current year interim	-	-	-
10.7 Franked dividends	-	-	-
10.8 Previous year final	36	24	30%
10.9 Franked dividends	36	24	30%
Dividends proposed and not recognised as a liability			-
10.10 Franked dividends	-	-	-

Dividends per security*(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)*

	Current year	Previous year	Franking rate applicable
Dividends paid or provided for during the reporting period			
10.11 Current year interim	-	-	-
10.12 Franked dividends – cents per share	-	-	-
10.13 Previous year final	6.0 c	4.0 c	30%
10.14 Franked dividends – cents per share	6.0 c	4.0 c	30%
Dividends proposed and not recognised as a liability	-	-	-
10.15 Franked dividends – cents per share	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$A'000	Previous corresponding period \$A'000
11.1 Opening balance	-	-
11.2 Expenditure incurred during current period	-	-
11.3 Expenditure written off during current period	-	-
11.4 Acquisitions, disposals, revaluation increments, etc.	-	-
11.5 Expenditure transferred to Development Properties	-	-
11.6 Closing balance as shown in the consolidated balance sheet (item 3.10)	-	-

Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period \$A'000
12.1 Opening balance	-	-
12.2 Expenditure incurred during current period	-	-
12.3 Expenditure transferred from exploration and evaluation	-	-
12.4 Expenditure written off during current period	-	-
12.5 Acquisitions, disposals, revaluation increments, etc.	-	-
12.6 Expenditure transferred to mine properties	-	-
12.7 Closing balance as shown in the consolidated balance sheet (item 3.11)	-	-

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – A\$'000	Previous corresponding period – A\$'000
13.1 Revenue	-	-
13.2 Expense	-	-
13.3 Profit (loss) from discontinued operations before income tax	-	-
13.4 Income tax expense <i>(as per para 81 (h) of AASB 112)</i>	-	-
13.5 Gain (loss) on sale/disposal of discontinued operations	-	-
13.6 Income tax expense <i>(as per paragraph 81(h) of AASB 112)</i>	-	-

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.1	Preference securities <i>(description)</i>					
14.2	Balance at start of period	-	-	-	-	-
14.3	a) Increases through issues	-	-	-	-	-
14.4	a) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.5	Balance at end of period	-	-	-	-	-
14.6	Ordinary securities <i>(description)</i>					
14.7	Balance at start of period	592,180	592,180	100c	592	592
14.8	a) Increases through issues	-	-	-	-	-
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.10	Balance at end of period	592,180	592,180	100c	592	592
14.11	Convertible Debt Securities <i>(description & conversion factor)</i>					
14.12	Balance at start of period	-	-	-	-	-
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	-	-	-	-	-
14.15	Balance at end of period	-	-	-	-	-

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.16	Options <i>(description & conversion factor)</i>					
14.17	Balance at start of period	-	-	-	-	-
14.18	Issued during period	-	-	-	-	-
14.19	Exercised during period	-	-	-	-	-
14.20	Expired during period	-	-	-	-	-
14.21	Balance at end of period	-	-	-	-	-
14.22	Debentures <i>(description)</i>					
14.23	Balance at start of period	-	-	-	-	-
14.24	a) Increases through issues	-	-	-	-	-
14.25	b) Decreases through maturity, converted	-	-	-	-	-
14.26	Balance at end of period	-	-	-	-	-
14.27	Unsecured Notes <i>(description)</i>					
14.28	Balance at start of period	-	-	-	-	-
14.29	a) Increases through issues	-	-	-	-	-
14.30	b) Decreases through maturity, converted	-	-	-	-	-
14.31	Balance at end of period	-	-	-	-	-
14.32	Total Securities	592,180	592,180	100c	592	592

		Current period – A\$'000	Previous corresponding period – A\$'000
Reserves			
14.33	Balance at start of period	-	-
14.34	Transfers to/from reserves	-	-
14.35	Total for the period	-	-
14.36	Balance at end of period	-	-
14.37	Total reserves	-	-
Retained earnings			
14.38	Balance at start of period	366	221
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit for the balance	38	81
14.42	Total for the period	-	-
14.43	Dividends	(36)	(24)
14.44	Balance at end of period	368	278

Details of aggregate share of profits (losses) of associates and joint venture entities*(equity method)**(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)*

Name of associate or joint venture entity

Reporting entities percentage holding

		Current period - \$A'000	Previous corresponding period - \$A'000
15.1	Profit (loss) before income tax	-	-
15.2	Income tax	-	-
15.3	Profit (loss) after tax	-	-
15.4	Impairment losses	-	-
15.5	Reversals of impairment losses	-	-
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7	Share of net profit (loss) of associates and joint venture entities	-	-

Control gained over entities having material effect*(See note 8)*16.1 Name of *issuer* (or *group*)16.2 Consolidated profit (loss) after tax of the *issuer* (or *group*) since
the date in the current period on which control was acquired16.3 Date from which profit (loss) in *item 16.2* has been calculated16.4 Profit (loss) after tax of the *issuer* (or *group*) for the whole of the
previous corresponding period

\$A'000
-
-
-

Loss of control of entities having material effect*(See note 8)*17.1 Name of *issuer* (or *group*)17.2 Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control17.3 Date from which the profit (loss) in *item 17.2* has been calculated17.4 Consolidated profit (loss) after tax of the entity (or *group*) while controlled during the whole of the previous corresponding period

17.5 Contribution to consolidated profit (loss) from sale of interest leading to loss of control

\$A'000
-
-
-
-

Material interests in entities which are not controlled entities*The economic entity has an interest (that is material to it) in the following entities.*

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (<i>item 1.9</i>)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
				<i>Equity accounted</i>	
		-	-	-	-
		-	-	-	-
		-	-	-	-
18.2	Total	-	-	-	-
18.3	Other material interests			Non equity accounted (i.e. part of <i>item 1.9</i>)	
		-	-	-	-
		-	-	-	-
18.4	Total	-	-	-	-

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

		Current period - \$A'000	Previous corresponding period - \$A'000
	Segments		
	Revenue:		
19.1	External sales	-	-
19.2	Inter-segment sales	-	-
19.3	Total (consolidated total equal to item 1.1)	-	-
19.4	Segment result	-	-
19.5	Unallocated expenses	-	-
19.6	Operating profit (equal to item 1.5)	-	-
19.7	Interest expense	-	-
19.8	Interest income	-	-
19.9	Share of profits of associates	-	-
19.10	Income tax expense	-	-
19.11	Net profit (consolidated total equal to item 1.9)	-	-
	Other information	-	-
19.12	Segment assets	-	-
19.13	Investments in equity method associates	-	-
19.14	Unallocated assets	-	-
19.15	Total assets (equal to item 3.18)	-	-
19.16	Segment liabilities	-	-
19.17	Unallocated liabilities	-	-
19.18	Total liabilities (equal to item 3.32)	-	-
19.19	Capital expenditure	-	-
19.20	Depreciation	-	-
19.21	Other non-cash expenses	-	-

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	159.08c per share	143.49c per share

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.

21.1	n/a
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International Financial Reporting Standards

Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	n/a
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Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	n/a
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Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

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). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

n/a

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

The company has \$275,710 in franking credits.

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

n/a

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

n/a

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (as per paragraph 16(d) of AASB 134: Interim Financial Reporting)

n/a

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

n/a

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (as per paragraph 16(c) of AASB 134: Interim Financial Reporting)

n/a

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (as per paragraph 16(i) of AASB 134: Interim Financial Reporting)

n/a

Annual meeting

(Preliminary final 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* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- ☐ 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.
5. If the accounts have been or are being audited or subject to review, details of any qualifications are attached
6. The *issuer* does not have a formally constituted audit committee.

Sign here:

Mark Smith

(Director/~~Company secretary~~)

Date:

14/03/2012

Print name:

MARK SMITH
CHAIRMAN

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **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 *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" is set out in *AASB 118: Revenue*
 - Item 1.6 This item refers to the total tax attributable to the amount shown in *item 1.5*. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).
4. **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 issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **Consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit

(loss) after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under ASIC Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with AASB 101: *Presentation of Financial Statements* or AASB 134: *Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* 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. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the ASIC under the *Corporations Act* must also be given to the *Exchange*. For example, a *directors'* report and declaration, if lodged with the ASIC, must be given to the *Exchange*.
13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** AASB 101: *Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

Relevant items AASB 101: *Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in AASB 101, in explaining the financial performance of the *issuer*. There is an equivalent requirement in AASB 134: *Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.

17. **Discontinuing operations**

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3

GOSNELLS FINANCIAL SERVICES LIMITED

ABN 11 095 764 533

FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2011**

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2011

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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 2011.

DIRECTORS

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

Mark Smith (Director and Chairperson) Appointed 24 May 2011 (Chairperson 3 October 2011).
Lily Bahnam (Director and Vice Chairperson)
Timothy Smith (Director and Chairperson) (Resigned 28 October 2011)
Dearne Russell (Director)
John Willmont (Director)
Michael Devereaux (Director and Company Secretary)
Michelle Lennox (Director)
Salim Youssef (Resigned 16 August 2011)
Ignazio Moro (Director and Treasurer) (Resigned 21 February 2012)
Debie Brockhoff (Company Secretary)
Robin Boccia (Resigned 2 February 2012)

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 \$37,968 for the six months ended 31 December 2011 (six months ended 31 December 2010 was \$80,883).

The Company has issued a final Dividend of 6 cents per share, paid on the 30 of September 2011 out of profits from the 2011 financial year. The dividend is in contrast to the 2010 financial year, where profits were distributed to shareholders via a dividend of 4 cents per share in March 2010 and 4 cents per share in October 2010. The overall decline in dividend issuance in 2011 is attributable to a decline in the level of distributable profit largely attributable to increased sponsorships, as well as the Board's long term objectives to retain a portion of profits within the business for growth and expansion.

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:

- Iggy Moro (Non-Executive Director) (Resigned 21 February 2012); and
- Dearne Russell (Non-Executive Director)
- Tanya Poynter (Finance Officer);
- Debie Brockhoff (Company Secretary);

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 2011.

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


DIRECTOR *CHAIRMAN*

PERTH
DATED THIS 14TH DAY OF MARCH 2012

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 2011, 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
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100


A MACRI
PARTNER

PERTH
DATED THIS 14TH DAY OF MARCH 2012

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 2011, 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 2011 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 2011 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
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100



A MACRI
PARTNER

PERTH
DATED THIS 14TH DAY OF MARCH 2012

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 13 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 2011 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
CHAIRMAN

PERTH
DATED THIS 14TH DAY OF MARCH 2012

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 December 2011 \$	31 December 2010 \$
Revenue	466,930	483,702
Interest income	25,960	21,759
Employee benefits expense	(259,920)	(209,451)
Depreciation and amortisation expense	(8,543)	(13,376)
Other expenses	(167,953)	(162,804)
	<hr/>	<hr/>
Profit before income tax	56,474	119,830
Income tax expense	(18,506)	(38,947)
	<hr/>	<hr/>
Profit for the period	<u>37,968</u>	<u>80,883</u>
Total comprehensive income for the period	<u>37,968</u>	<u>80,883</u>
Total comprehensive income attributable to:		
Members of the entity	<u>37,968</u>	<u>80,883</u>
 Earnings per share		
From overall operations		
Basics earnings per share (cents)	6.41	13.66
Diluted earnings per share (cents)	6.41	13.66

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 2011

	31 December 2011 \$	30 June 2011 \$
CURRENT ASSETS		
Cash and Cash Equivalents	929,124	914,485
Trade and Other Receivables	93,984	89,566
Current Tax Assets	26,616	3,746
Other Current Assets	<u>4,885</u>	<u>4,703</u>
TOTAL CURRENT ASSETS	<u>1,054,609</u>	<u>1,012,500</u>
NON CURRENT ASSETS		
Property, Plant and Equipment	26,464	28,354
Intangible Assets	833	5,833
Deferred Tax Assets	<u>13,960</u>	<u>11,404</u>
TOTAL NON CURRENT ASSETS	<u>41,257</u>	<u>45,591</u>
TOTAL ASSETS	<u>1,095,866</u>	<u>1,058,091</u>
CURRENT LIABILITIES		
Trade and Other Payables	74,789	59,701
Short-term Provisions	<u>45,455</u>	<u>26,421</u>
TOTAL CURRENT LIABILITIES	<u>120,244</u>	<u>86,122</u>
NON CURRENT LIABILITIES		
Long-term Provisions	13,932	11,595
Deferred tax liabilities	<u>4,874</u>	<u>5,995</u>
TOTAL NON CURRENT LIABILITIES	<u>18,806</u>	<u>17,590</u>
TOTAL LIABILITIES	<u>139,050</u>	<u>103,712</u>
NET ASSETS	<u>956,816</u>	<u>954,379</u>
EQUITY		
Issued Capital	588,400	588,400
Retained Earnings	<u>368,416</u>	<u>365,979</u>
TOTAL EQUITY	<u>956,816</u>	<u>954,379</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 2011

	Note	Issued Ordinary Capital	Retained Earnings	Total
		\$	\$	\$
Balance at 1 July 2010		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)
Balance at 31 December 2010		<u>588,400</u>	<u>277,874</u>	<u>866,274</u>
 Balance at 1 July 2011		 588,400	 365,979	 954,379
Profit attributable to the members of the company		-	37,968	37,968
Dividends paid or provided for	2	-	(35,531)	(35,531)
Balance at 31 December 2011		<u>588,400</u>	<u>368,416</u>	<u>956,816</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 2011

	31 December 2011 \$	31 December 2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	505,138	552,817
Payments to suppliers and employees	(438,915)	(451,837)
Income Tax paid	(45,053)	(37,623)
Interest received	<u>29,697</u>	<u>24,807</u>
Net cash provided by operating activities	<u>50,867</u>	<u>88,164</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	<u>(1,653)</u>	<u>(4,171)</u>
Net cash used in investing activities	<u>(1,653)</u>	<u>(4,171)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	<u>(34,575)</u>	<u>(23,107)</u>
Net cash used in financing activities	<u>(34,575)</u>	<u>(23,107)</u>
Net increase/ (decrease) in cash held	14,639	60,886
Cash and cash equivalents at beginning of period	<u>914,485</u>	<u>761,334</u>
Cash and cash equivalents at end of period	<u><u>929,124</u></u>	<u><u>822,220</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 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards *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 2011, together with any public announcements made during the following half-year.

Accounting Policies

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.

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the June 2011 annual report, except in relation to the following matter:

Impairment – carbon price

There is presently uncertainty in relation to the impacts of the carbon pricing mechanism recently introduced by the Australian Government. This carbon pricing system could potentially affect the assumptions underlying value-in-house calculations used for asset impairment testing purposes. The controlled entity has not incorporated the effect of any carbon price implementation in its impairment testing at 31 December 2011.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

For the half-year reporting period to 31 December 2011, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Company. A discussion of these new and revised requirements that are relevant to the Company is provided below:

- AASB 124: Related Party Disclosures (December 2009)

AASB 124 (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended) including the following:

- The definition of a “related party” is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- the definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
- entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other;
- the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other; and
- The definition now clarifies that a post-employment benefit plan and an employer sponsor of such a plan are related parties of each other.
- A partial exception is provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

Application of AASB 124 (December 2009) did not have a significant impact on the financial statements of the Company.

- AASB 2010-4: Further amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13].

This standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian Accounting Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events and transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various standards and interpretations.

Application of the amendments AASB 2010-4 did not have a significant impact on the financial statements of the Company.

GOSNELLS FINANCIAL SERVICES LIMITED
ABN 11 095 764 533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- AASB 1054: Australian Additional Disclosures and AASB 2011-I: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 and AASB 134 and Interpretations 2, 112 and 113]

AASB 1054 sets out the Australian specific disclosures that are additional to IFRS disclosure requirements. The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

Application of AASB 1054 did not have a significant impact on the financial statements of the Company.

NOTE 2: DIVIDENDS

	31 December 2011 \$	31 December 2010 \$
Distributions paid/provided for:	35,531	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 AFTER END OF THE REPORTING PERIOD

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.