

**Kew East
Financial Services Limited**



TO: BSX
FAX: 02 4929 1556
PAGES: 18
DATE: 16/3/06

Re: Half yearly accounts to 31 December 2005

Annexure 3A follows

Kind regards,

A handwritten signature in cursive script, appearing to read 'Sue Allen'.

**Sue Allen
Director/Treasurer**



Annexure 3A

BSX Listing Rules

Half yearly/Yearly Disclosure

References Version 1, Operative 23/8/2000
Chapter 3, BSX Listing Rules

KEW EAST FINANCIAL SERVICES LTD

Name of entity

91 096 301 058

Half yearly (tick)

ABN ACN or ARBN

Annual (tick)



31 December 05

Half year/financial year ended
(Current period)

Summary

Sales revenue or operating revenue

up/down

16 %

to

\$A,000

324

Profit (loss) before abnormal items and after tax

up/down

35 %

to

82

Abnormal Items before tax

gain (loss) of

0

Profit (loss) after tax but before outside equity interests

up/down

35 %

to

82

Extraordinary items after tax attributable to members

gain (loss) of

0

Profit (loss) for the period attributable to members

up/down

35 %

to

82

Dividends (distributions)

Franking rate applicable

0 %

Current period

04/05 Final

05/06 Interim

3 ¢

3 ¢

Previous corresponding period

Final

04/05 Interim

0 ¢

2 ¢

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

31 March 06

Annexure 3A Half Yearly/Yearly Disclosure

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

None

Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	324	279
Expenses from ordinary activities	242	217
Borrowing costs	0	1
Share of net profit (loss) of associates and joint venture entities	0	0
Profit (loss) from ordinary activities before tax	82	61
Income tax on ordinary activities	0	0
Profit (loss) from ordinary activities after tax	82	61
Outside equity interests	0	0
Profit (loss) from ordinary activities after tax attributable to members	82	61
Profit (loss) from extraordinary activities after tax attributable to members	0	0
Profit (loss) for the period attributable to members	82	61
Retained profits (accumulated losses) at the beginning of the financial period	(160)	(278)
Net transfers to and from reserves	0	0
Net effect of changes in accounting policies	0	0
Dividends paid or payable	15	10
Retained profits (accumulated losses) at end of financial period	(93)	(227)

Profit restated to exclude amortisation of goodwill

Annexure 3A
Half Yearly/Yearly Disclosure

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	82	61
Less (plus) outside equity interests	0	0
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	82	61

Revenue and expenses from operating activities

Details of revenue and expenses	Current period \$A'000	Previous corresponding period \$A'000
Revenue	324	279
Employee costs	(139)	(131)
Depreciation & amortisation	(17)	(18)
Borrowing costs	0	(1)
Other expenses	(86)	(68)

Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	0	0	0
Amortisation of other intangibles	7	0	7
Total amortisation of intangibles	7	0	7
Extraordinary items (details)	0	0	0
Total extraordinary items	0	0	0

Annexure 3A Half Yearly/Yearly Disclosure

Comparison of half year profits (Annual statement only)

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

Consolidated balance sheet

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Current assets			
Cash	205	142	60
Receivable	61	50	52
Investments	0	0	0
Inventories	0	0	0
Other (provide details if material)	0	0	0
Total current assets	266	192	112
Non-current assets			
Receivables	0	0	0
Investments	0	0	0
Inventories	0	0	0
Other property, plant and equipment (net)	179	174	184
Intangibles (net)	12	20	28
Other (provide details if material)	0	0	0
Total non-current assets	191	194	212
Total assets			
Current liabilities			
Accounts payable	34	34	31
Borrowings	0	0	0
Provisions	34	29	28
Other (provide details if material)	0	0	0
Total current liabilities	68	63	59

Annexure 3A
Half Yearly/Yearly Disclosure

Non-current liabilities			
Accounts payable	0	0	0
Borrowings	0	0	0
Provisions	0	0	0
Other (provide details if material)	0	0	0
Total non-current liabilities	0	0	0
Total liabilities	68	63	59
Net assets	389	323	265
Equity			
Capital	482	482	482
Reserves	0	0	0
Retained profits (accumulated losses)	(93)	(159)	(217)
Equity attributable to members of the parent entity	0	0	0
Outside equity interests in controlled entities	0	0	0
Total equity	389	323	265
Preference capital and related premium included			

Consolidated statement of cash flows

Cash flows related to operating activities	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	346	302
Payments to suppliers and employees	(252)	(216)
Dividends received	0	0
Interest and other items of similar nature received	1	0
Interest and other costs of finance paid	0	(1)
Income taxes paid	0	0
Other (provide details if material)	(4)	0
Net operating cash flows	91	85
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(14)	(0)

Annexure 3A
Half Yearly/Yearly Disclosure

Proceeds from sale of property, plant and equipment	0	0
Payment for purchases of equity investments	0	0
Proceeds from sale of equity investments	0	0
Loans to other entities	0	0
Loans repaid by other entities	0	0
Other (provide details if material)	0	0
Net investing cash flows	(14)	(0)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	0	0
Proceeds from borrowings	0	0
Repayment of borrowings	0	(54)
Dividends paid	(15)	0
Other (provide details if material)	0	0
Net financing cash flows	(15)	(54)
Net increase (decrease) in cash held	62	31
Cash at beginning of period (see Reconciliation of cash)	143	29
Exchange rate adjustments	0	0
Cash at end of period (see Reconciliation of cash)	205	60

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.

None

Annexure 3A
Half Yearly/Yearly Disclosure

Reconciliation of cash

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

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	130	60
Deposits at call	0	0
Bank overdraft	0	0
Other (provide details) <i>Term Deposit</i>	75	0
Total cash at end of period	205	60

Ratios

	Current period	Previous corresponding period
Profit before tax/sales		
Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	25%	22%
Profit after tax/equity interests		
Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	25%	22%.

Earnings per security (EPS)

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	16.91	12.55
(b) Diluted EPS (if materially different from (a))		

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	80 cents	67 cents

Annexure 3A
Half Yearly/Yearly Disclosure

Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	1	0
Interest revenue included but not yet received (if material)	0	0
Interest costs excluded from borrowing costs capitalised in asset values	0	0
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	0	0
Depreciation (excluding amortisation of intangibles)	9	10
Other specific relevant items	0	0

Control gained over entities having material effect

N/A

Name of entity

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

\$

Date from which such profit has been calculated

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

\$

Loss of control of entities having material effect

N/A

Name of entity

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

\$

Date from which the profit (loss) has been calculated

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

\$

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

\$

Annexure 3A Half Yearly/Yearly Disclosure

Reports for industry and geographical segments

	<u>Current</u>	<u>PCP</u>
Segments		
Operating Revenue	\$ 324,000	\$ 279,000
Sales to customers outside the economic entity	0	0
Inter-segment sales	0	0
Unallocated revenue	0	0
Total revenue	\$ 324,000	\$ 279,000
Segment result	\$ 324,000	\$ 279,000
Unallocated expenses	0	0
Consolidated profit from ordinary activities after tax (before equity accounting)	\$ 82,000	\$ 61,000
Segment assets	<u>Current 000</u> 389	<u>PCP 000</u> 265
Unallocated assets	0	0
Total assets	389	265

Comparative data for segment assets should be as at the end of the previous corresponding period

Dividends

Date the dividend is payable

15/4/06

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

31/3/06

Amount per security

		Franking rate applicable <input checked="" type="radio"/> % <input type="radio"/> % <input type="radio"/> %			
(annual report only)					
Final dividend:	Current year	¢	N/A	¢	N/A
	Previous year	¢	¢	¢	¢
(Half yearly and annual statements)					
Interim dividend:	Current year	3 ¢	N/A	¢	N/A
	Previous year	2 ¢	¢	¢	¢

Annexure 3A
Half Yearly/Yearly Disclosure

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

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

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$ 15	\$ 10
Preference securities	\$ 0	\$ 0
Total	\$ 15	\$ 10

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

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$ 15	\$ 0
Preference securities	\$ 0	\$ 0
Total	\$ 15	\$ 0

The dividend or distribution plans shown below are in operation.

None

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

N/A

Any other disclosures in relation to dividends (distributions)

None

Annexure 3A
Half Yearly/Yearly Disclosure

Equity accounted associated entities and other material interests

N/A

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

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

Material interests in entities which are not controlled entities

N/A

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

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

Annexure 3A
Half Yearly/Yearly Disclosure

Total				

Issued and listed securities

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

Category of securities	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
Preference securities (description)	0	0	0	0
Changes during current period				
Ordinary securities	482,510	482,510	100	100
Changes during current period	0	0	0	0
Convertible debt securities (description and conversion factor)	0	0	0	0
Changes during current period				

			Exercise price	Expiry date
Options (description and conversion factor)	0	0	0	0
Changes during current period				
Exercised during current period				
Expired during current period				

Annexure 3A
Half Yearly/Yearly Disclosure

Debentures	0	0
Unsecured Notes	0	0

Discontinuing Operations

None - N/A.

Consolidated profit and loss account

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

Consolidated statement of cash flows

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

Annexure 3A
Half Yearly/Yearly Disclosure

Net financing cash flows					

Other disclosures

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

Description of disposals**Comments by directors****Basis of accounts preparation**

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

Annexure 3A
Half Yearly/Yearly Disclosure

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

None

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)

None

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

None yet. The final dividend for 05/06 is expected to be partly franked.

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

Adoption of AIFRS for the first time - no material effect to prior years

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

None

Additional disclosure for trusts

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

Annexure 3A Half Yearly/Yearly Disclosure

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

Identify:

- Initial service charges
- Management fees
- Other fees

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Annual meeting

(Annual statement only)

The annual meeting will be held as follows:

Place

--

Date

--

Time

--

Approximate date the annual report will be available

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are ~~are not~~* (delete one) followed as compared with the most recent annual accounts.
- 4 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:

(Tick one)

☐

The financial statements have been audited.

☐

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

☒

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

☐

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

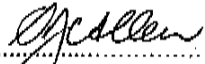
- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, ~~details of any qualifications are attached~~/will follow immediately they are available* (delete one).

- 7 The entity has ~~does not~~ have* (delete one) a formally constituted audit committee.

Date 23/08/2000

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Annexure 3A
Half Yearly/Yearly Disclosure

Sign here:  Date: 16/3/06
(Director/Company secretary)

Print name: SUE ALLEN

Notes

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

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

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

INCOME TAX - EXTRACT FROM NOTES TO ACCOUNTS

The <i>prima facie</i> tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:	<u>Current Period</u>	<u>PCP</u>
Prima facie tax expense on profit from ordinary activities before income tax at 30%	24,472	18,164
Add tax effect of:		
Non-deductible items	3,120	2,250
Less tax effect of:		
Recognition of prior years tax losses	27,592	20,414
Income tax expense attributable to profit from ordinary activities	-	-
The entity has tax losses available for use in future periods of:	28,273	195,017