Hamilton James & Bruce Group Limited
Appendix 4E
Preliminary final report

1 Name of entity: Hamilton James & Bruce Group Limited
ABN: 90 091 302 975
Financial year ended: 30 June 2010
Previous period: 30 June 2009

			$000		$000
2	Results for announcement to the market				
2.1	Revenues from continuing operations	down by	(4,750)	to	48,570
2.2	Profit / (Loss) before income tax from continuing operations	up by	3,449	to	(2,601)
	Profit / (Loss) after income tax from continuing operations	up by	3,460	to	(2,590)
	Profit / (Loss) for the financial year	up by	3,596	to	(2,590)
2.3	Net profit/(loss) after income tax for the period attributable to members of Hamilton James & Bruce Group Limited	up by	3,596	to	(2,590)

2.4 Dividends	Amount per share	Franked amount per share
This period		
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Previous period		
Final dividend	Nil	Nil
Interim dividend	Nil	Nil

2.5 Record date for determining entitlements to dividends: N/A

Preliminary consolidated income statement

For the year ended 30 June 2010

	Notes	2010 $000	2009 $000
Revenue from continuing operations	4	**48,570**	53,320
Depreciation and amortisation expense	5	**(440)**	(1,248)
Impairment - other assets	5	**(74)**	(1,002)
Impairment - goodwill		**-**	-
Employment costs	5	**(46,384)**	(51,507)
Interest expense	5	**(475)**	(369)
Other expenses		**(3,798)**	(5,244)
Profit / (Loss) before income tax from continuing operations		**(2,601)**	(6,050)
Income tax benefit / (expense) from continuing operations		**11**	-
Profit / (Loss) after income tax from continuing operations		(2,590)	(6,050)
Profit / (Loss) before income tax from discontinued operations		-	-
Income tax benefit / (expense) from discontinued operations		-	(136)
Profit / (Loss) after income tax from discontinued operations		-	(136)
Profit / (Loss) for the financial year		(2,590)	(6,186)

	Cents	Cents
Basic earnings per share	(1.0)	(4.6)
Diluted earnings per share	(1.0)	(4.6)

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

Preliminary consolidated statement of comprehensive income

For the year ended 30 June 2010

	Notes	2010 $000	2009 $000
Profit / (Loss) for the financial year		**(2,590)**	(6,186)
Other comprehensive income			
Exchange differences on translation of foreign operations		-	-
Other comprehensive income for the financial year net of tax		-	-
Total comprehensive income for the financial year		**(2,590)**	(6,186)

The above preliminary consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Preliminary consolidated statement of financial position

As at 30 June 2010

	Notes	2010 $000	2009 $000
Current assets			
Cash and cash equivalents	9	**1,101**	1,464
Trade and other receivables	10	**6,402**	4,509
Total current assets		**7,503**	5,973
Non-current assets			
Investments accounted for using the equity method		**-**	-
Available-for-sale financial assets		**1**	1
Rental bonds		**71**	71
Property, office fitout, plant and equipment	11	**1,230**	1,368
Intangible assets	12	**7,294**	7,424
Total non-current assets		**8,596**	8,864
Total assets		**16,099**	14,837
Current liabilities			
Trade and other payables	13	**4,916**	3,557
Lease incentives	14	**97**	203
Current tax liabilities	15	**-**	43
Provisions	16	**251**	366
Borrowings	17	**2,237**	2,521
Total current liabilities		**7,501**	6,690
Non-current liabilities			
Lease incentives	18	**813**	652
Borrowings	18	**1,100**	700
Provisions	19	**342**	446
Total non-current liabilities		**2,255**	1,798
Total liabilities		**9,756**	8,488
Net assets		**6,343**	6,349
Equity			
Contributed equity		**24,199**	21,615
Reserves		**41**	41
Retained profits		**(17,897)**	(15,307)
Total equity		**6,343**	6,349

The above preliminary consolidated statement of financial position should be read in conjunction with the accompanying notes.

Preliminary consolidated statement of changes in equity

For the year ended 30 June 2010

	Contributed equity	Retained earnings	Foreign currency translation reserve	Share based Payments reserve	Total Equity
	$000	$000	$000	$000	$000
Balance at 1 July 2009	21,615	(15,307)		41	6,349
Total comprehensive Income for the year		(2,590)			(2,590)
Transfer from share-based payments reserve to retained earnings					
Transactions with equity holders in their capacity as equity holders:					
Issue of Equity	2,584				2,584
Employee share plan					
Dividends paid					
	2,584	-	-	-	2,584
Balance at 30th June 2010	24,199	(17,897)	-	41	6,343
Balance at 1 July 2008	19,665	(9,121)	-	94	10,638
Total comprehensive Income for the year		(6,186)			(6,186)
Transfer from share-based payments reserve to retained earnings following liquidation of non operating entities				(53)	(53)
Transactions with equity holders in their capacity as equity holders:					
Issue of Equity	1,950				1,950
Employee share plan					
Dividends paid					
	1,950	-	-	-	1,950
Balance at 30th June 2009	21,615	(15,307)	-	41	6,349

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

Preliminary consolidated cash flow statement

For the year ended 30 June 2010

	2010 $000	2009 $000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	55,716	63,023
Payments to suppliers and employees (inclusive of goods and services tax)	(58,220)	(64,084)
	(2,504)	(1,061)
Interest paid	(475)	(369)
Interest received	45	45
Income taxes (paid) / refund	-	(376)
Net cash inflow/(outflow) from operating activities	(2,934)	(1,761)
Cash flows from investing activities		
Settlement of prior year purchase of subsidiary	-	(100)
Payment for property, office fitout, plant and equipment	(319)	(63)
Net cash inflow/(outflow) from investing activities	(319)	(163)
Cash flows from financing activities		
Proceeds of borrowings	-	3,221
Proceeds of borrowings from associates	3,050	-
Proceeds from lease incentive/fitout	190	-
Dividends paid	-	-
Proceeds from rights issue, net of costs	2,584	1,950
Repayment of borrowings	(634)	-
Repayment of borrowings to financial institutions	-	(1,510)
Repayment of borrowings from associates	(2,300)	-
Net cash inflow/(outflow) from financing activities	2,890	3,661
Net increase/(decrease) in cash held	(363)	1,737
Cash at the beginning of the financial year	1,464	(273)
Cash at the end of the financial year	1,101	1,464

The above preliminary consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the preliminary consolidated financial statements

Note 1 – Basis of preparation of financial statements

This general purpose financial report for the year ended 30 June 2010 has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards, Urgent Issues Group Interpretations and the *Corporations Act 2001* .

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Hamilton James & Bruce Group Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Changes in accounting policy

Hamilton James and Bruce Group Limited had to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

Financial statement presentation - revised AASB 101 *Presentation of financial statements*

Principles of consolidation - revised AASB 127 *Consolidated and Separate Financial Statements* and changes made by AASB 2008-7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

Business combinations - revised AASB 3 *Business Combinations*

Segments - new AASB 8 *Operating Segments*

Financial statement presentation

The group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

Principles of consolidation

AASB 127 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. This is different to the Group's previous accounting policy where transactions with minority interests were treated as transactions with parties external to the group.

The standard also specifies the accounting where control is lost. Any remaining interest in the entity must now be remeasured to fair value and a gain or loss is recognised in profit or loss.

Lastly, dividends received from investments in subsidiaries after 1 July 2009 are recognised as revenue even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a result of the dividend payment. Under the entity's previous policy, these dividends would have been deducted from the cost of the investment.

The changes were implemented prospectively from 1 July 2009. There has been no impact on the current period.

Note 1 - Basis of preparation of financial statements (continued)

Business combinations

AASB 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes.

All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments classified as liabilities and subsequently remeasured through the income statement. Under the Group's previous policy, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of the acquisition.

Acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill.

If the Group recognises acquired deferred tax assets after the initial acquisition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

Segment reporting

The Group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The consolidated entity operates in one industry segment being the recruitment industry. As a result no additional business segment information has been provided.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the board of directors.

Early adoption of standards

The group has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2009:

AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

This includes applying the revised pronouncement to the comparatives in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, There was no other impact on the current or prior year financial statements.

NOTE 2 SEGMENT INFORMATION

(a) Business segments
The consolidated entity operates in one industry segment being the recruitment industry. As a result no additional business segment information has been provided.

(b) Geographical segments
The consolidated entity operates in one geographical segment being Australia. As a result no additional geographical segment information has been provided.

A reconciliation of EBITDA to operating profit before tax is provided as follows:

	2010	2009
	$000	$000
EBITDA	**(1,612)**	(3,431)
Depreciation and amortisation expense	**(514)**	(2,250)
Finance Cost	**(475)**	(369)
Profit before income tax from continuing operations	**(2,601)**	(6,050)

Notes to the preliminary consolidated financial statements (continued)

NOTE 3 COMPREHENSIVE INCOME FOR THE YEAR

Under AASB 101 *Presentation of Financial Statements* which became effective on 1 July 2009, referred to in note 1 above, a Consolidated Statement of Comprehensive Income has been included in this report.

The consolidated Statement of Comprehensive Income shows the effect of the movement in exchange rates on the translation of the financial statements of overseas subsidiaries into Australian dollars.

The translation movements shown in the Consolidated Statement of Comprehensive Income are not included in the Consolidated Income Statement as they are included in the Foreign Currency Translation Reserve on the statement of financial position.

The quantum of the translation movement is entirely dependent on the movement in the relevant foreign currency exchange rates.

NOTE 4 REVENUE

	2010 $000	2009 $000
From continuing operations		
Sales revenue		
Permanent placements	**4,147**	6,180
Temporary placements	**43,599**	46,551
Other revenue		
Interest	**45**	45
HR consulting	**12**	10
Rents and sub-lease rentals	**571**	524
Other	**196**	10
Total revenue from continued operation	**48,570**	53,320
From discontinued operations		
Other revenue		
Interest	-	-
Dividend	-	-
Total revenue from discontinued operation	-	-
Total revenue	**48,570**	53,320

Notes to the preliminary consolidated financial statements (continued)

NOTE 5 EXPENSES

		2010 $000	2009 $000
Profit before income tax includes the following specific expenses:			
Continuing operations			
Depreciation			
Property, office fitout, plant and equipment	11	**336**	656
Amortisation			
Software and database	12	**56**	532
Make good	11	**48**	60
		104	592
Depreciation and amortisation expense		**440**	1,248
Impairment			
Property, office fitout, plant and equipment	11	**-**	1,002
Software and database	12	**74**	-
		74	1,002
Employment costs			
Temporary placements		**36,490**	36,609
Permanent personnel		**7,335**	11,669
Defined contribution superannuation expense		**2,559**	3,229
		46,384	51,507
Financing costs		**475**	369
Occupancy costs		**1,823**	2,836
Release fee 20 Bridge Street - Operating lease		**-**	450
Net loss on disposal of property, plant and equipment		**73**	251
Impairment of goodwill		**-**	-

Impairment of assets

On 30 June 2009 the Group was released from its existing lease at 20 Bridge Street, Sydney. As part of this transaction the Group surrendered Level 11 and as a result office fitout assets have been impaired as stated above.

Notes to the preliminary consolidated financial statements (continued)

NOTE 6 DIVIDENDS

	2010 $000	2009 $000
Ordinary shares		
Dividends paid during the interim financial reporting period	-	-

NOTE 7 EQUITY SECURITIES ISSUED

	2010 Shares	2009 Shares	2010 $000	2009 $000
Issues of ordinary shares during the financial year				
Issued as part of Capital raising 1:1 offer	134,283,370	67,141,685	**2,584**	1,950

NOTE 8 DISCONTINUED OPERATIONS

(a) Description

On 18 December 2009, the wholly owned subsidiary New PDH Limited was struck off after the successful completion of the voluntary liquidation process.

Financial information relating to the discontinued operation for the years ended 30 June 2009 and 30 June 2010 are set out below.

(b) Financial performance and cash flow information	2010 $000	2009 $000
Revenue	-	-
Share of net profit of associates using the equity accounting method	-	-
Foreign exchange gain	-	-
Loss from sale of business - OCG Consulting Limited	-	-
Reversal of FCTR arising on disposal of discontinued entities	-	-
Foreign exchange loss	-	-
Interest expense	-	-
Other expense	-	-
Profit/(loss) before income tax	-	-
Income tax expense	-	-
Profit / (Loss) after income tax from discontinued operations	-	-
Net cash inflow (outflow) from operating activities	-	(136)
Net cash inflow (outflow) from investing activities	-	-
Net cash inflow (outflow) from financing activities	-	-
Net decrease in cash generated by the discontinued operations	-	(136)

Note 8 to the preliminary consolidated financial statements (continued)

(c) Carrying amounts of assets and liabilities

The carrying amounts of assets and liabilities as at the financial reporting dates are as follows:

	2010 $000	2009 $000
Cash and cash equivalent	-	-
Trade and other receivables	-	-
Loans to associates		
Investments		
Total assets	-	-
Trade and other payables	-	-
Loans between parent and discontinued entities	-	-
Current tax liabilities	-	-
Total liabilities	-	-
Net assets	-	-

NOTE 9 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2010 $000	2009 $000
Cash at bank and on hand	1,101	1,464
Total cash and cash equivalents	1,101	1,464

Reconciliation to cash at the end of the year
The above figure is reconciled to the cash at the end of the financial year as shown in the cash flow statement as follows:

	2010 $000	2009 $000
Balance as above	1,101	1,464
Less: Bank overdrafts	-	-
Balance as per cash flow statement	1,101	1,464

Included in the cash balance is a restricted amount of $0.9 million that is held in a term deposit as security against HJB's bank guarantees.

NOTE 10 CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2010 $000	2009 $000
Trade receivables	6,151	4,334
Provision for impairment of receivables	(21)	(120)
Net trade receivables	6,130	4,214
Income tax refund	18	7
Prepayments	172	206
Other receivables	82	82
Total trade and other receivables	6,402	4,509

Notes to the preliminary consolidated financial statements (continued)

NOTE 11 NON-CURRENT ASSETS - PROPERTY, OFFICE FITOUT, PLANT AND EQUIPMENT

	Property, Plant and equipment	Leasehold rectification	Office Fit out	Total
	$000	$000	$000	$000
Year ended 30 June 2009				
Opening net book amount	409	230	2,635	3,274
Additions	16	-	47	63
Disposals	(144)	(107)	-	(251)
Depreciation/amortisation charge	(156)	(60)	(500)	(716)
Impairment loss	-	-	(1,002)	(1,002)
Closing net book amount	125	63	1,180	1,368
At 30 June 2009				
Cost	500	344	4,262	5,106
Accumulated depreciation	(375)	(281)	(3,082)	(3,738)
Net book amount	125	63	1,180	1,368
Year ended 30 June 2010				
Opening net book amount	125	63	1,180	1,368
Additions	1	-	318	319
Disposals	(25)	-	(48)	(73)
Depreciation/amortisation charge	(19)	(48)	(317)	(384)
Impairment loss	-	-	-	-
Closing net book amount	82	15	1,133	1,230
At 30 June 2010				
Cost	459	309	4,454	5,222
Accumulated depreciation	(377)	(294)	(3,321)	(3,992)
Net book amount	**82**	**15**	**1,133**	**1,230**

NOTE 12 NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Goodwill	Software	Brandnames	Contracts	Total
	$000	$000	$000	$000	$000
Year ended 30 June 2009					
Opening net book amount	7,213	743	-	-	7,956
Impairment	-	-	-	-	-
Amortisation charge	-	(532)	-	-	(532)
Closing net book amount	7,213	211	-	-	7,424
At 30 June 2009					
Cost	14,259	3,661	243	**70**	18,233
Accumulated amortisation and impairment	(7,046)	(3,450)	(243)	**(70)**	(10,809)
Net book amount	7,213	211	-	-	7,424
Year ended 30 June 2010					
Opening net book amount	7,213	211	-	-	7,424
Impairment	-	(74)	-	-	(74)
Amortisation charge	-	(56)	-	-	(56)
Closing net book amount	7,213	81	-	-	7,294
At 30 June 2010					
Cost	14,259	3,661	243	**70**	18,233
Accumulated amortisation and impairment	(7,046)	(3,580)	(243)	**(70)**	(10,939)
Net book amount	**7,213**	**81**	**-**	**-**	**7,294**

Notes to the preliminary consolidated financial statements (continued)

NOTE 13 CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2010 $000	2009 $000
Trade payables	**1,104**	433
Other Payables		
Employment costs	**3,211**	1,880
Goods & Services Tax	**389**	303
Expenses	**212**	941
	3,812	3,124
Total current liabilities - trade and other payables	**4,916**	3,557

NOTE 14 CURRENT LIABILITIES - LEASE INCENTIVES

	2010 $000	2009 $000
Lease incentive	**97**	203
Total current liabilities - lease incentive	**97**	203

NOTE 15 CURRENT LIABILITIES - TAX

	2010 $000	2009 $000
Current tax liability	**-**	43
Total current liabilities - tax	**-**	43

NOTE 16 CURRENT LIABILITIES - PROVISIONS

	2010 $000	2009 $000
Employee benefits		
Annual leave	**239**	225
Long service leave	**12**	57
Onerous contract	**-**	84
Total current liabilities provisions	**251**	366

NOTE 17 CURRENT LIABILITIES - BORROWINGS

	2010 $000	2009 $000
Secured		
Invoice financing facility	**1,887**	2,056

The invoice financing facility is secured by a fixed charge against the trade receivable of the company. This facility is subject to various covenants.

	2010 $000	2009 $000
Non-Secured		
Borrowings	**350**	465
Total current liabilities borrowings	**2,237**	2,521

Notes to the preliminary consolidated financial statements (continued)

NOTE 18 NON-CURRENT LIABILITIES

	2010 $000	2009 $000
Lease incentive	813	652
Borrowings	350	700
Borrowings from associates	750	-
Total non-current liabilities	**1,913**	1,352

NOTE 19 NON-CURRENT LIABILITIES - PROVISIONS

	2010 $000	2009 $000
Employee benefits		
Long service leave	46	73
Onerous contract	-	46
Make good provision	296	327
Total non-current liabilities provisions	**342**	446

NOTE 20 RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2010 $000	2009 $000
Profit / (loss) for the year	(2,590)	(6,186)
Depreciation and amortisation	440	1,248
Impairment of property, office fitout, plant & equipment	-	1,002
Impairment of software and database	74	-
Loss on disposal of property office fitout, plant and equipment	73	251
Write back of lease incentives	(155)	(1,206)
Share of profits of associates not received as dividend / distributions	-	-
Dividend, interest and management fees	-	-
(Increase)/decrease in trade debtors and other debtors	(1,916)	4,470
(increase)/decrease in future income tax benefit	-	-
(Increase)/decrease in income tax refundable	(11)	-
(Increase)/decrease in other operating assets	34	19
Increase/(decrease) in provision for deferred income tax	-	-
Increase/(decrease) in trade and other creditors	1,229	(944)
Increase/(decrease) in provision for income tax payable	(43)	(143)
Increase/(decrease) in reserves	-	(53)
Increase/(decrease) in other provisions	(69)	(219)
Net cash inflow/(outflow) from operating activities	(2,934)	(1,761)

NOTE 21 COMMITMENTS

Operating Leases	2010 $000	2009 $000

The Group leases various offices under non-cancellable operating leases expiring within two to ten years. These leases have varying terms.

The Group also leases various office equipment under cancellable leases expiring within two to five years. These leases have varying terms.

Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:

	2010 $000	2009 $000
Not later than one year	2,244	2,267
Later than one year but not later than 5 years	7,372	7,659
Later than 5 years	2,749	3,520
Commitments not recognised in the financial statements	12,365	13,446

Supplementary Appendix 4E information and other relevant disclosures

		2010 cents	2009 cents
(a)	**NTA backing**		
	Net tangible asset backing per ordinary security	(0.4)	(0.8)

(b) Details of controlled entities

(i)	Control gained over entities having material effect	**N/A**
(ii)	Loss of control of entities having material effect	**N/A**

(c) Dividends

(i)	Date the dividend is payable	**N/A**
(ii)	Record date to determine entitlements to dividend	**N/A**

		Amount per share	**Franked amount per share @ 30%**	Amount per share of foreign source dividend
Special dividend:	Current period	Nil	**Nil**	Nil
	Previous period	Nil	**Nil**	Nil

Dividend Reinvestment Plan — The Company does not have a dividend reinvestment plan

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

Franking credits available at 30 June 2010 are $1,508,000 based on the 30% tax rate.

Commentary on results for the period

Hamilton James & Bruce Group Limited returned a loss for the period of $ 2.590 million.

The loss for the period is 58.1% less than the $ 6.186 million loss for the corresponding period in the previous year.

Earnings per share (EPS)

As a result of the loss for the period the EPS was a negative 1.0 cents which should be compared with the negative EPS of 4.6 cents for the previous corresponding period.

Returns to shareholders

The directors have recommended that no dividends be paid to shareholders in respect of the period ending 30 June 2010.

Significant features of operating performance

The trading performance of Hamilton James and Bruce Group Limited (HJB) has improved considerably over the past 12 months, albeit without returning a profit in that period.

The comparative turnaround in performance, at a time when hiring decisions were still partially affected for several months in a negative way by the GFC, is attributable to a number of actions taken by the company.

The revenue from continuing operations was $ 4.750 million (8.9%) lower than in the corresponding period, primarily as a result of the GFC, however sales productivity improvements, achieved as a result of a comprehensive reorganisation undertaken by management and of the introduction of a significantly improved sales commission plan, have resulted in savings of $ 5.123 million in employment costs, a sum which is in excess of the revenue reduction for the period. A reduction in other expenses, primarily as a result of closing unprofitable offices in Chatswood and the Gold Coast, and also the increased focus on tight cost-management, has further improved results for the period.

As trading conditions have improved during the fourth quarter of the financial year we have considerably expanded our office space in Brisbane and we have also expanded the number of consulting staff across all locations in which the Company operates. In addition, during the final quarter of the financial year we have increased the business sectors in which Hamilton James & Bruce Group Limited offer their services, both to take advantage of the improving trading conditions and also to provide revenue streams which are more broadly based and less dependent on any single business area.

Compliance statement

1 This report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations or other standards acceptable to ASX.

2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed .

4 This report is based on financial statements to which one of the following applies:

- [ ] The accounts have been audited
- [ ] The accounts have been subject to review
- [x] The accounts are in the process of being audited or subject to review
- [ ] The accounts have not yet been audited or reviewed

5 The entity has a formally constituted audit committee.

L. Fernandes

Lancelot Fernandes
Company Secretary

Sydney, 31 August 2010