



Enriching People's  
Lives, since 1868

## APPENDIX 4E | For the year ended 31 July 2024



GOWING BROS

Investing together for a secure future

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**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

The reporting period is the year ended 31 July 2024 with the previous corresponding period being the year ended 31 July 2023. This report is based on financial statements which are in the process of being audited.

		<b>31 Jul 2024</b>	<b>31 Jul 2023</b>
<b>REVENUE</b>			
Total revenue <sup>(1)</sup>	Down 6%	\$67.1 million	\$71.2 million
Other revenue / (loss) <sup>(2)</sup>		\$0.4 million	(\$11.9) million
<b>EARNINGS</b>			
Loss after tax <sup>(3)</sup>		(\$0.04) million	(\$5.3) million
Loss per share		(0.07) c	(9.91) c
<b>NET ASSETS PER SHARE</b>			
Before provision for tax on unrealised gains <sup>(4)</sup>		\$3.84	\$3.86
<b>DIVIDENDS – This Period</b>			
2024 Final fully franked dividend per share <sup>(5)</sup>		3.45 cents	
2024 Interim fully franked dividend per share		3 cents	
<b>DIVIDENDS – Prior Period</b>			
2023 Final fully franked dividend per share <sup>(6)</sup>		3 cents	
2023 Interim fully franked dividend per share		3 cents	

**COMMENTS**

- (1) Total Revenue was down 5.78% on the prior year.
- (2) Other gains and losses in the current year exclude revaluations of Investment Properties and relate to favourable foreign exchange movements.
- (3) Loss After Tax was \$0.04 million for the year ended 31 July 2024. For more detail refer the profit and loss on page 7 of the report.
- (4) Net assets per share before tax on unrealised gains on equities, investment properties and private equities was at \$3.84. This included the payment of 6.0c in dividends in financial year 2024 from the 2023 final franked dividend and the 2024 interim dividend.
- (5) The board has elected to declare a final 3.45 cents per share fully franked LIC dividend. The record date for the final dividend is 18 October 2024, with a payment date of 5 November 2024.
- (6) The 2023 final dividend was a 3 cents per share fully franked dividend.

Refer to the Executive Chairman's review of operations for further details on the results and investments.

## EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS

### THIRTEEN INTEREST RATE RISES, A LOOMING FEDERAL ELECTION, A US ELECTION, INFLATION ENTERS TARGET ZONE, THINGS STILL LOOKING POSITIVE “Up North”.

Reviewing the results following the end of our 156th year of trading, the key and overwhelming impact continues to be the 13 interest rate increases imposed by the Reserve Bank of Australia, and associated monetary policy tightening by most of the world's central banks which has had a significant impact on global consumer sentiment. This has caused and continues to cause a significant reduction in sales and profitability at Gowings Surf Hardware International and a significant increase in the groups long term interest expenses.

We appear to have entered a new period of Global Reserve Banks monetary policy easing, with interest rates lowering in the US, Europe, Canada and NZ. The reported annual inflation rate this week of 2.7% in Australia is within the RBA's target range and should presage lower interest rates in Australia in the near future. Should this transpire it will be good for all our business segments. In the meantime it feels like we are positioned in the twilight zone.

I am pleased to report that in this difficult financial environment, our financial team was able to refinance our long term debt facility on more flexible terms with St George Bank.

There have been a number of significant achievements made during the year which are worthy of mention:

- i) Successfully negotiating the renewal of the lease with Coles at Gowings Kempsey Central.
- ii) The takeover of our long term investment in DICE Molecules by Eli Lilly, resulting in a capital gain of approximately \$6 million.
- iii) The continuing sales of lots in stage 3 at Sawtell Commons, which have been a significant contributor to group cash flow and earnings.
- iv) The completion of the installation of solar panels on the rooftop car park at Gowings Coffs Central. Providing both shade for shoppers parking and a material saving in annual energy bills.

On the ground, we have continued to see a rebound in foot traffic and trading in our Mid North Coast Shopping Centres, in fact comparable sales at our 3 Shopping Centres have grown from \$149 million in 2019 to \$164 million per annum in 2024.

We have continued to see some quite strong interest in leasing and have opened several new shops with more in the pipeline. The recently opened shared workspace on level one in Coffs Harbour, “G Sphere” is performing very well.

Our flagship store “Gowing's Pacific Traders”, on the ground floor of Coffs Harbour showcases our ocean lifestyle brands, FCS, Alvey, and Gorilla Grip and whilst trade has been slower than we would have liked, it is trending in the right direction.

Most of our retail leases have a percentage of turnover provision or an annual CPI uplift which over the medium term protects the underlying value of our shopping centres during the ‘new normal’ period of inflation. As such our Shopping Centres remain a good hedge against inflation over the long term. Particularly now that the replacement cost of our centres is higher than the carrying value and thereby creating a significant barrier to entry for new players.

Major construction work on the Raymond Terrace and Coffs Harbour Bypasses is well underway with completion of both expected by 2028. These are projects with national significance and are estimated to cost circa \$4.3 Billion. Gowings North Coast property holdings will be major beneficiaries of these very worthy projects.

**SUSTAINABILITY PROGRAMME**

Gowings continues to investigate and implement sustainability initiatives across all areas of our business operations. Our fundamental aim is to have the smallest impact possible on the environment. Initiatives either commenced, under investigation or completed include:

- |   |   |
|---|---|
| -Kempsey Central rooftop solar system.  | Completed.  |
| -Coffs Central rooftop solar.   | Completed.  |
| -Coffs Central green waste composting system.   | Completed.  |
| -EV Charging Stations.  | Installed.  |
| -Comprehensive independent review of Gowings Mid North Coast operations with the goal of installing substantial solar and renewable energy micro grid.                                    | Coffs Central Solar in place, with other measures to be reviewed. |
| -Preliminary investigation for feasibility of installing a community geothermal system at Sawtell Commons which could provide up to 20% continuing energy savings annually for residents. | Ongoing engagement with CHCC.                                     |
| -Independent report on best sustainable practices for packaging & product development at Gowings SHI has been received.   | Shift to recycle/able packaging underway.                         |
| -Carbon capture project at Logie Farm.  | Underway.   |

## EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)

### GOWINGS SURF HARDWARE INTERNATIONAL

GSHI continues to face difficult global economic headwinds with interest rates high, consumers having less discretionary income and overall sales down on the prior year. On a positive note, online sales are significantly higher than the prior year at \$4M and warehousing has been moved from Mona Vale to Coffs Harbour, resulting in ongoing cost savings and efficiencies for the Group.

### SAWTELL COMMONS

Stage 3 at Sawtell Commons is now complete, there have been 40 blocks of land sold and contracts exchanged. The market in Coffs Harbour for vacant residential land has slowed somewhat. Preliminary approval work for Stage 4 consisting of 31 lots is underway with an aim for them to be completed in 2025. Construction has commenced on The Coffs Harbour Bypass, which is a positive catalyst for economic activity and skilled employment in the area.

### DIVIDENDS

The Group has generated strong development property cash-flows and will be declaring a final 3.45c fully franked LIC dividend.

The Company believes in maintaining a prudent approach to dividends given the capital requirements of the Company across various developments and investment opportunities either underway or under consideration.

### OUTLOOK

The outlook has improved with CPI moving into the target range and rate cuts likely for next year, which will relieve financial pressure for our tenants and customers.

Thank you to all our team members and the wider Gowings community for their continuing support.

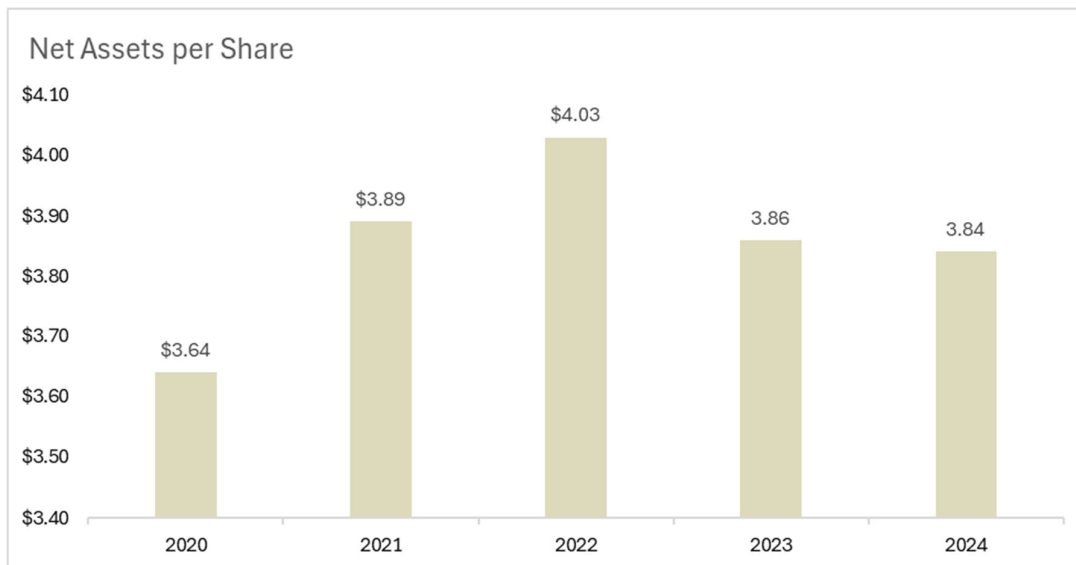


J. E. Gowing  
Executive Chairman

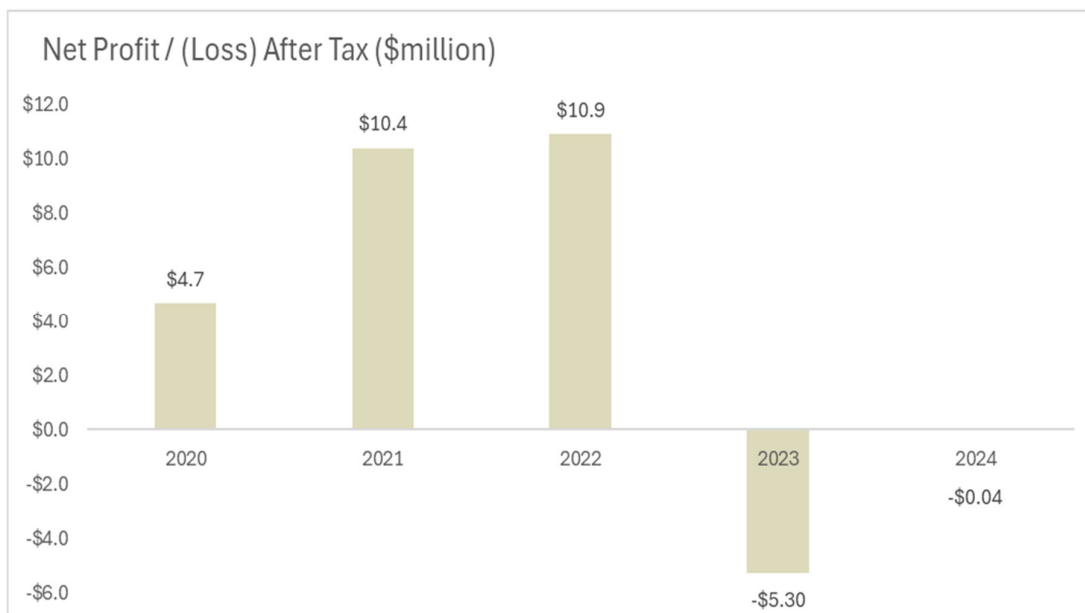
**EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)**

On behalf of the Board of Directors, I am pleased to comment on the results for the year ended 31 July 2024.

**Financial Review**

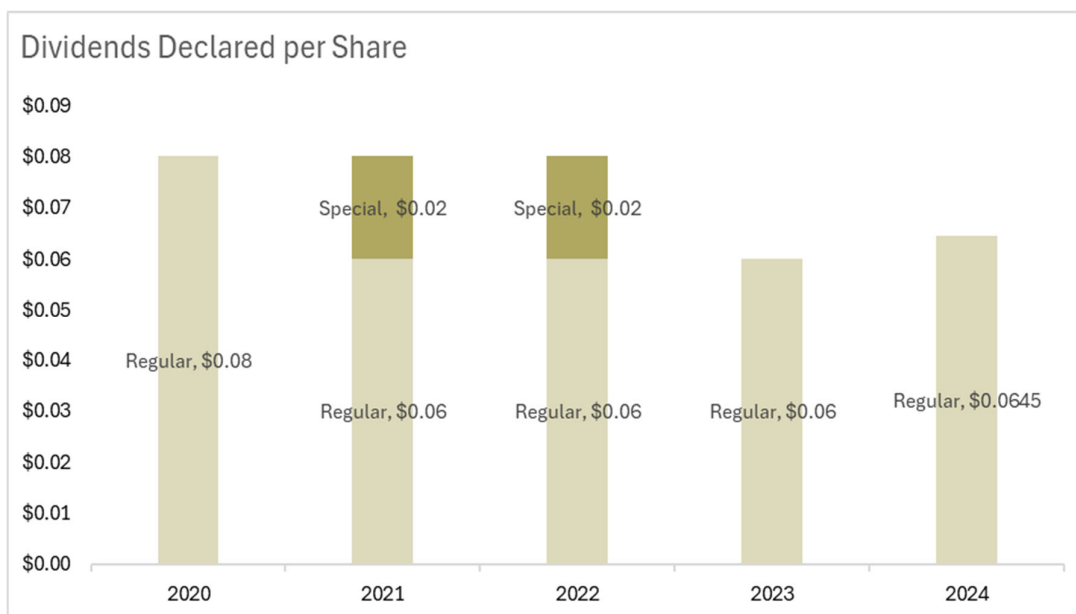


Net assets per share before tax on unrealised gains on equity, investment properties and private equities was at \$3.84 as at 31 July 2024. Total shareholder return was 1.1% including the 6.0c paid to Shareholders during the year.



Income After Tax for the year ended 31 July 2024 includes underlying income from ordinary activities such as rent, interest, dividends and revaluations of the investment portfolio.

## EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)



The Company declared a total dividend of \$0.0645 in fully franked dividends for the 2024 year.

The Company has maintained a prudent approach to dividends given the capital requirements of the Company having various development and investments opportunities currently either underway or under consideration.

## KEY METRICS

	31 July 2024	31 July 2023	31 July 2022	31 July 2021	31 July 2020
<b>Net Assets(1)</b>	<b>\$203.6m</b>	<b>\$205.7m</b>	<b>\$215.5m</b>	<b>\$208.6m</b>	<b>\$195.5m</b>
<b>Net Assets per Share(2)</b>	<b>\$3.84</b>	<b>\$3.86</b>	<b>\$4.03</b>	<b>\$3.89</b>	<b>\$3.64</b>
<b>Net profit (loss) after tax</b>	<b>(\$0.04)m</b>	<b>(\$5.3)m</b>	<b>\$10.9m</b>	<b>\$10.4m</b>	<b>\$4.7m</b>
<b>Earnings (loss) per Share</b>	<b>(0.07) c</b>	<b>(9.91) c</b>	<b>20.42c</b>	<b>19.35c</b>	<b>8.82c</b>
<b>Dividends per Share</b>	<b>6.0c</b>	<b>7.0c</b>	<b>8.0c</b>	<b>7.0c</b>	<b>10.0c</b>
<b>Total Shareholder Return</b>	<b>1.1%</b>	<b>(2.5%)</b>	<b>5.7%</b>	<b>8.8%</b>	<b>(2.3%)</b>

(1) Net Assets before tax on unrealised gains on equities, private equities, investment properties, and freehold properties.

(2) Net Assets per share before tax on unrealised gains on equities, private equities, investment properties, and freehold properties.

The Company meets the definition of a Listed Investment Company ("LIC") for taxation purposes. Certain shareholders of the Company, including individuals, trusts, partnerships and complying superannuation entities may benefit from the Company's LIC status by being able to claim a tax deduction for the part of the dividend that is attributable to LIC capital gains made by the Company. The amount that shareholders can claim as a tax deduction depends on their individual situation. As an example, an individual, trust (except a trust that is a complying superannuation entity) or partnership who is an Australian resident taxpayer at the date a dividend is paid would be entitled to a tax deduction equal to 50% of the amount attributable to LIC capital gains included in the dividend.

## EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)

## PROFIT AND LOSS STATEMENT

For the year ended	31 Jul 2024 \$'000	31 Jul 2023 \$'000
<b>Net Income from Ordinary Activities</b>		
Interest Income	709	360
Investment Properties	4,735	5,092
Development Properties	4,468	3,407
Equities – Dividend Income	768	1,392
Managed Private Equities	65	104
Surf Hardware International	(2,100)	(1,258)
<b>Total Net Income from Ordinary Activities</b>	<b>8,645</b>	<b>9,097</b>
<b>Head Office Expenses</b>		
Administration, public company and other	6,714	6,292
<b>Operational Profit</b>	<b>1,931</b>	<b>2,805</b>
<b>Gain/(loss) on sale or revaluation</b>		
Investment properties – unrealised	-	(13,271)
Investment Properties – realised	(341)	(15)
Managed private equity – unrealised	(112)	(86)
Managed private equity – realised	(102)	380
Derivatives (Fixed Interest Rate Hedge) - realised	313	(78)
<b>Other</b>		
Other Costs	-	-
Other Income	139	663
Non-recurring expenses	(2,237)	-
<b>Loss before tax</b>	<b>(409)</b>	<b>(9,602)</b>
Income tax benefit	370	4,317
<b>Loss after tax</b>	<b>(39)</b>	<b>(5,285)</b>

Net Investment Property income of \$4.7 million is a stable result with CPI and interest rates running high. The majority of the decrease is attributable to increased amortisation on incentives for new store openings. All our centres are performing well considering the general headwinds.

Net Development Property income of \$4.5 million represents a strong result for sales at Sawtell Commons in the current reporting period. Stage 3 has been registered and made available for sale and we have sold through the majority of the lots with additional settlements occurring post year end.

Surf Hardware International net loss of \$2.1 million was driven predominantly by overseas market conditions and deteriorating sales in all geographies, but Japan in particular. We have put into place significant cost saving measures and will be monitoring closely to take further action if needed. We believe sales will recover slowly over the next 12 – 24 months as the interest rate drops and economic backdrop improves.

Overall Total Net Income from Ordinary Activities of \$8.6 million represents a 5% decrease on the prior year primarily driven by the underlying performance of Surf Hardware International globally.

Non-recurring expenses relate to costs associated with moving Head Office and Australian warehousing facilities for Surf Hardware International to Coffs Harbour, including make-good expenses. Additionally, \$500,000 of goodwill relating to Gowings Surf Hardware was written off in the current year.

Overall, the loss after tax was \$0.04 million compared to the previous year which was a loss of \$5.3 million.



## EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)

## GOWINGS AT A GLANCE (At Directors' Valuation)

	31 July 2024 \$'000	31 July 2023 \$'000
<b>Strategic Investments</b>		
Cobram Estates Olives	16,759	12,783
Surf Hardware International (at cost)	16,000	16,000
Carlton Investments	6,362	6,129
Power Pollen Accelerated Ag Technologies	1,538	1,541
SYMBYX	800	600
EFTsure	738	738
Woolworths Group Ltd	690	-
Eratos	500	500
Tasmanian Oyster Company	480	480
Space X	458	-
Perpetual Limited	443	-
Australian Foundation Investments	431	418
BHP Group Limited	423	460
Other Investments – Australia	10,318	10,975
Other Investments – International	2,965	9,272
<b>Total</b>	<b>58,905</b>	<b>59,896</b>
<b>Private Equity Funds</b>		
Our Innovation Fund I	2,919	2,775
OurCrowd Australia	624	916
Our Innovation Fund II	582	569
Skalata Fund II	293	289
Other Private Equity Funds	780	682
<b>Total</b>	<b>5,198</b>	<b>5,231</b>
<b>Pacific Coast Shopping Centre Portfolio</b>		
Sub-regional and Neighbourhood shopping centres	189,030	187,885
Borrowings	(95,865)	(94,310)
<b>Total</b>	<b>93,165</b>	<b>93,575</b>
<b>Other Direct Properties</b>		
Sawtell Commons - residential subdivision <sup>1</sup>	13,439	17,020
Solitary 30 - Coffs Harbour development land <sup>1</sup>	3,867	3,865
Other properties <sup>1</sup>	11,968	9,757
<b>Total</b>	<b>29,274</b>	<b>30,642</b>
<b>Cash and Other</b>		
Cash (AUD)	5,104	10,355
Cash (USD)	8,555	4,620
Tax liabilities	(12,631)	(11,218)
Surf Hardware International consolidation impact <sup>2</sup>	(3,718)	(4,804)
Other assets & liabilities	19,762	17,424
<b>Total</b>	<b>17,072</b>	<b>16,377</b>
<b>Net assets before tax on unrealised gains on equities, investment properties and private equities</b>	<b>203,614</b>	<b>205,721</b>
Provision for tax on unrealised gains on equities, investment properties and private equities	(9,359)	(10,369)
<b>Net assets after tax on unrealised gains on equities, investment properties and private equities</b>	<b>194,255</b>	<b>195,352</b>

<sup>1</sup> Indicative appraisals and internal valuations indicate that there is approximately \$27.4M of underlying additional value across our development property portfolio. The increase is primarily due to the uplift on Sawtell Commons, Solitary 30 and 4 Moonee Beach Road.

<sup>2</sup> Difference between the investment in Surf Hardware International (at cost) and net assets attributable to the group on consolidation.

## EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)

### STRATEGIC INVESTMENTS

#### **Gowings Surf Hardware International (\$16,000,000 cost)**

The post pandemic slowdown continues to impact the surf industry from that experienced in FY23. As a result, Gowings Surf Hardware International (GSHI) sales fell 11% to \$36.7m in FY24. GSHI has continued to focus on managing and monitoring appropriate levels of stock and ensuring margins are achieved as these economic headwinds continue to challenge GSHI on numerous fronts.

A number of major projects were completed during the FY24 year including the completion of the GSHI relocation to Coffs Harbour from Mona Vale, the completion of the transition to a new enterprise-resource-planning tool for the majority of all operational regions (Japan is currently underway – ETC is Feb 25) and opening of the new Gowings Pacific Trader retail store in Coffs Harbour. During the year, Alvey Reels has been integrated into the GSHI portfolio.

Continued focus is being applied on building and enhancing our existing direct-to-consumer (DTC) sales channel. Positively, significant gains were achieved in FY24, with DTC revenue increasing 34% to \$4.174m. Continued investment in this platform combined with the operational synergies now being achieved with the new enterprise resource planning tool will enable further growth.

Work continues on building a purpose-built warehouse and manufacturing facility to meet our goal of local production in the Coffs Harbour region.

GSHI remains committed to the Gowings Whale Trust, continuing to donate 1% of total GSHI revenue.

#### **Listed Australian Shares**

##### **Australian Foundation Investments**

**Value at year end \$430,000**

Australian Foundation Investments (AFI) is one of the largest and oldest listed investment companies in Australia. Founded in Melbourne in 1928 they specialise in managing a portfolio of Australian equities and take a long term, conservative approach to investing which closely aligns with Gowings' own values. This minimises dealing costs and has historically provided investors with sound, tax-efficient, long-term returns. Their diversified portfolio ensures they are not overexposed in any one particular sector.

[www.afi.com.au](http://www.afi.com.au)

##### **BHP Billiton**

**Value at year end \$423,000**

BHP Billiton (BHP) founded in 1851 is a world leader in the diversified resources industry. They provide materials for essential infrastructure aiming to continuously improve economic development and living standards. They manage the portfolio of assets in highly attractive commodities growing value through excellence in operations and acquiring the right assets and options whilst managing capital allocation.

<https://www.bhp.com/>

##### **Carlton Investments**

**Value at year end \$6,362,000**

Carlton Investments (CIN) was incorporated in 1928 and has a long-standing and expert interest in the hotel business and cinema industries. Founded by Sir Norman Rydge and currently Chaired by his son Alan Rydge AM, their primary business is the purchase and retention of carefully selected shares that provide attractive levels of sustainable income and the potential for long term capital growth. Carlton Investments carries no debt and has the objective of consistently generating fully franked dividends with a minimal risk profile.

[www.carltoninvestments.com.au](http://www.carltoninvestments.com.au)

**EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)****STRATEGIC INVESTMENTS****Listed Australian Shares****Cobram Estate Olives****Value at year end \$16,759,000**

Cobram Estate (CBO) commenced operations in 1998 as a family affair and has matured into a large undertaking with some 6,500 hectares of olive groves in production in Victoria and 100 staff. With olive farm and milling operations in both Australia and the USA, CBO is a leader in the Australian olive industry and an innovator in sustainable olive farming. Premium brands include Cobram Estate and Red Island.

[www.cobramestate.com.au](http://www.cobramestate.com.au)

**Perpetual Limited****Value at year end \$443,000**

Perpetual Group is a diversified financial services company which has been serving Australians since 1886 when it was established as a trustee company by a group of businessmen including Sir Edmund Barton, later to be Australia's first Prime Minister. That trustee heritage – and the culture it created in putting clients first – is what makes Perpetual unique.

<https://www.perpetual.com.au/>

**Woolworths Group Ltd****Value at year end \$690,000**

Woolworths Group is an Australian multinational retail company, founded in Sydney in 1924. It operates primarily Woolworths supermarkets across Australia, Woolworths in New Zealand and Big W. Also included in the portfolio is Petbarn, a smaller retail pet store operated across Australia. As the biggest retailer in Australia, they are at the forefront of technology across customers, logistics and distribution.

<https://www.woolworthsgroup.com.au/>

## EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)

### STRATEGIC INVESTMENTS

#### Unlisted Australian Shares

##### **EFTSure**

**Value at year end \$738,000**

EFTSure provides a bank detail verification service that minimises the risk of fraudulent invoices being paid. It matches the account details for suppliers of goods and services in a business' payment system, (generally a banking portal), by verifying the creditor's account name, BSB and account number and matching it with the Australian Business Registry data. Gowings use the system for their online payments as a safeguard against payment fraud and the automated nature of the system provides material operational efficiencies.

[www.get.eftsure.com.au](http://www.get.eftsure.com.au)

##### **SYMBYX**

**Value at year end of \$800,000**

SYMBYX is a Sydney based medical technology company. Founded in 2019 they are developing device based light therapies (photobiomodulation) to treat and provide symptomatic relief from pain and discomfort for people living with chronic diseases such as Parkinson's, dementia, Crohn's Disease and diabetes. They work with research partners and clinicians in Australia, Portugal, Germany and the United Kingdom and clinical trials are well advanced in a number of key geographies.

[www.symbyxbiome.com](http://www.symbyxbiome.com)

##### **Wholesale Investor**

**Value at year end \$400,000**

Wholesale Investor, based in Sydney, is a global venture investment platform. They connect emerging innovative companies seeking capital with investors. With a growing ecosystem of 30,000 high net worth investors, family offices, venture capital and private equity firms, government bodies and industry participants, their platform allows convenient and simple access to investment opportunities from a broad range of emerging business opportunities.

[www.wholesaleinvestor.com.au](http://www.wholesaleinvestor.com.au)

##### **Surf Lakes Global**

**Value at year end \$300,000**

Surf Lakes is exactly what it sounds like, a lake you can surf on. With a prototype surf park in Yeppoon, Australia consistently producing multiple surfable waves using a contoured lakebed. The swell is created using a hydraulic plunge wave machine in the lake centre and in this respect differs from traditional surf parks where, usually, only a single wave is produced. The team envisage accommodation, restaurants and bars surrounding the surf lake providing a full immersion experience for visitors and locals alike.

[www.surf-lakes.com](http://www.surf-lakes.com)

**EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)****STRATEGIC INVESTMENTS****Unlisted Australian Shares****Tasmanian Oyster Company****Value at year end \$480,000**

The Tasmanian Oyster Company was founded in 1979 and has more than 220 hectares of pristine Tasmanian waters. They are the largest vertically integrated oyster business in Australia with hatcheries, growing farms, harvest, sales and distribution. The company has a strong focus on sustainability and is certified organic by the National Association for Sustainable Agriculture Australia. Their oysters are among the highest quality produced in Australia and are sold both as spat and as mature oysters in both the domestic and international markets with strong interest from countries such as Japan, Singapore and Vietnam.

[www.tasmanianoysterco.com.au](http://www.tasmanianoysterco.com.au)

**Unlisted International Shares****Power Pollen Accelerated Ag Technologies****Value at year end \$1,538,000**

Power Pollen is an American company based in Ames, Iowa who have developed a pollination capability that increases crop yields, specifically in corn and wheat. The process allows the producer to time their crop pollination, rather than rely on the variability of nature and to develop specific crop attributes to increase cropping yields. The technology can increase the ratio of female to male corn plants 3 fold and as the females are fruit bearing, crop yield is significantly increased. The company has received strong support from the local United States market with the Iowa Corn Growers Association an early equity investor.

[www.powerpollen.com](http://www.powerpollen.com)

**SPACEX****Value at year end \$458,000**

SpaceX designs, manufactures, and launches advanced rockets and spacecraft, aiming to reduce space transportation costs and enable the colonisation of Mars. It operates Starlink and Starshield. Starlink enables speed internet around the world through satellites, requiring no cables and expensive on ground infrastructure. Starshield leverages SpaceX's Starlink technology and launch capability to support national security efforts.

<https://www.spacex.com/>

**EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)****STRATEGIC INVESTMENTS****Private Equities****Our Innovation Fund I, II & III****Value at year end \$3,716,000**

Our Innovation Fund and its successors were both launched by OurCrowd with a specific focus on Australian tech start-ups. Based in Sydney they target high net worth investors only and manage a pool of capital that is carefully invested into technology focused start-ups with. No significant updates have occurred in the current reporting period.

[www.oifventures.com.au](http://www.oifventures.com.au)

**OurCrowd Australia****Value at year end \$624,000**

OurCrowd was founded in 2013 in Jerusalem, Israel by Jonathan Medved with the aim to build a pool of venture capital for investing in start-ups worldwide. They have offices in the United States, United Kingdom, Spain, Canada, Australia, Brazil, and Singapore and are democratising access to private equity investing via an easily accessible and user friendly online platform. OurCrowd also invest in many of the start-ups and open the door for retail investors to invest on the same terms. In the current period a small number of realisations and write-offs have reduced the balance of the underlying investment portfolio.

[www.ourcrowd.com](http://www.ourcrowd.com)

## EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)

### STRATEGIC INVESTMENTS

#### Pacific Coast Shopping Centre Portfolio

##### Retail Sales Growth & Resilience

This year has presented a challenging environment for our portfolio of Shopping Centres, driven largely by rising interest rates and increased cost-of-living pressures that have weighed heavily on consumer spending. While we began the year with positive momentum, particularly in essential and non-discretionary categories, the latter half of the year has seen a deceleration in sales growth across the board, as customers have become more cautious in their spending habits.

Despite these headwinds, our Centres have remained resilient, maintaining a steady flow of foot traffic and tenant occupancy. However, the current economic climate has made Leasing more challenging, with some retailers delaying expansion plans or seeking shorter lease terms. We have responded by refining our leasing strategies and supporting our tenants through targeted marketing initiatives, ensuring that our centres continue to serve as vibrant community hubs.

Looking ahead, we remain cautiously optimistic about the coming year. As inflationary pressures are expected to ease and the economy stabilises, we anticipate a gradual recovery in consumer confidence and spending. With our continued focus on enhancing the shopping experience and adapting to market conditions, we believe our Shopping Centres are well-positioned to capitalise on these improving economic conditions.

##### Coffs Central

We are pleased to welcome several exciting new retailers to Coffs Central, including Phan's Kitchen, a modern and vibrant Vietnamese offer, as well as flagship stores for Gowings Pacific Trader and Alvey Fishing Reels—both iconic brands that add significant appeal to our centre. In addition, Nail Style Central and Coffs Central Barber have recently opened, further enhancing our diverse retail mix.

These new openings are a testament to the ongoing belief in the future of Coffs Central, even amidst challenging economic conditions. The leasing pipeline and enquiry levels remain strong, and we are working with several more exciting retailers who will be opening in the coming months.

We also continue to explore further development opportunities at Coffs Central, including the DA-approved hotel, rooftop apartments, and office tower expansion.

##### Port Central

Port Central continues to trade well, with a strong retail mix already in place. Our focus remains on maintaining this robust mix of retailers while actively pursuing new opportunities to further enhance the centre's appeal. Additionally, we have been approved for a boutique liquor license and Kaleidoscope has opened, a showcase for local makers.

We are also exploring various capital upgrades, remixing strategies, and redevelopment opportunities to elevate the overall experience for both our retailers and shoppers. Work is underway to plan for future-proofing the centre and we are in talks with prominent Australian retailers.

##### Kempsey Central

During the year we have renewed Coles at Kempsey on a ten year lease. We have also been granted a boutique liquor license and we plan to open the new bottle shop prior to Christmas. Overall trading conditions remain challenging but there are a number of national tenants we are in discussions with to take on some spaces within the centre.

## EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)

### STRATEGIC INVESTMENTS

#### **Other Investments Properties & Properties Under Development**

##### **Sawtell Commons**

Sawtell Commons Stage 3 has been completed and we have realised \$8.79 million in gross sales in the current reporting period. These sales have been made at good prices and overall profit generated from the Sawtell Development was \$4.47 million. Preliminary planning works are underway for Stage 4, consisting of 31 lots, with an aim for them to be completed in 2025.

##### **Solitary 30**

Solitary 30 (Coffs Harbour Jetty Precinct) has a range of staged and un-staged architectural plans currently under consideration but with the current NSW government Jetty Foreshores development project struggling to gain community acceptance, we are taking a cautious approach to our planning.

##### **Logie Farm and Pipers Brook**

In March 2022, the Company purchased two properties in Tasmania with the view that agriculture in Tasmania reflects a viable long-term industry with demand for boutique and artisan Australian produce growing internationally and locally. The two properties are strategically located in the South and North of Tasmania respectively and both represent agricultural and development opportunities.



## EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)

### SUSTAINABILITY PROGRAMME

Gowings continues its commitment to minimising our environmental impact. Our goal is to become a net zero company as soon as feasibly possible. Gowings has a long history of being environmentally proactive with a range of initiatives including the Gowings Whale Trust which was established in 2001.

#### Shopping Centres

##### Completed Initiatives

Expert consultancy firms were engaged to identify improvements to our three centres with regard to waste generation, water use, and electricity consumption. A range of recommendations have been progressed.

Port Central and Coffs Central have introduced recycling and coffee cup separation bins. Coffs Central has an organic composter allowing us to divert food waste from landfill. A rooftop garden has been planted at Coffs Central. Kempsey Central now has a 99kw solar system installed that significantly reduces the centre's carbon emissions. Coffs Central's 400kW rooftop solar system is now in operation. Port and Coffs now have EV charging stations. All centre lighting has been converted to LED.

##### Future Plans

Plans are underway to augment existing centre PV (solar) capacities with a 400kW rooftop solar systems installed at both Port. This will bring the combined total solar system output to 1,128kW, (this equates to enough generated electricity to power 112 homes per annum).

Sizing was determined by the aforementioned independent report and should cover our energy needs on a day to day basis (weather permitting), significantly reducing our energy consumption, carbon emissions, and reliance on the grid.

We are also exploring the possibility of each centre establishing an embedded network whereby retailers can purchase solar electricity from Gowings at favourable rates.

#### Land Development

##### Sawtell Commons (220 lot subdivision in Bonville south of Coffs Harbour)

##### Completed Initiatives

Sawtell Commons is a free hold land subdivision however we have sought to identify estate wide energy saving opportunities. Including geothermal heating and cooling, heat pump technology, rainwater harvesting, a community battery, and a virtual power plant/microgrid.

Some preliminary geothermal work has taken place with 3 pilot sites drilled and thermally tested with initial findings positive. An independent engineer has designed a community wide system and undertaken a financial feasibility study. The system is workable considering the cost, conversations continue with the local council.

##### Future Plans

Paired with the aforementioned geothermal system we are researching a community microgrid and battery so residents can store electricity generated by solar and then sell energy to each other and to the grid as a group enabling them to achieve better prices.

Gowings plan on retaining a number of lots to establish a build-to-rent initiative as we will have complete control over this aspect we plan to incorporate geothermal and battery system in the project.

## EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS (CONTINUED)

### SUSTAINABILITY PROGRAMME

#### Gowings Surf Hardware international

##### Completed Initiatives

GSHI manufactures a range of globally recognised surf sport related brands including FCS, Gorilla Grip, Softech, Kanulock, and Hydro. Currently 1% of all sales generated goes to the Gowings Whale Trust helping to fund initiatives safeguarding our seas and reducing waste in the ocean. A report into eliminating single use plastics in packaging has been completed with the findings currently being implemented.

##### Future Plans

The 1% for the Gowings Whale Trust plan will continue in the foreseeable future and GSHI packaging will be shifted away from single use plastics to cardboard wherever possible. Longer term the aim is to shift production to the use of recycled materials. As a surf travel business, it is integral to Gowings Surf Hardware International's future that GSHI minimise any negative impacts on the ocean and environment generally.

#### Investments

##### Completed Initiatives

The day to day running and practices of the majority of Gowings investments are, generally speaking, outside of our immediate control and this applies to our share portfolio and venture capital investments. Gowings have, however, invested in two farming properties in Tasmania that enable us to implement regenerative farming practices thereby sequestering carbon in the soil.

#### Gowings Whale Trust

##### Completed Initiatives

Established in 2001, the Gowings Whale Trust seeks to preserve and promote whale populations, and this extends to the adjacent issues of sea biodiversity and cleanliness. A watercraft has been donated to the Sea Shepherd, we have helped fund Sea Shepherds work on stopping krill harvesting in the Antarctic and their merchandise is promoted at Gowings centres to provide additional support.

##### Future Plans

We will continue to be on the lookout for worthy causes to help fund with a focus on the Marine Environment.

## DIRECTORS' REPORT

### DIRECTORS

The names of each person serving as a director or executive, either during or since the end of the year, are set out below:

<b>Name</b>	<b>Position</b>
J. E. Gowing	Managing Director and Executive Chairman (Appointed 25 August 2023 and Reaffirmed on the 25 July 2024)
J. G. Parker	Non-Executive Director
S. J. Clancy	Non-Executive Director
J. E. Davis	Non-Executive Director (Appointed 25 August 2023)
J. E. Gowing (James)	Director and Joint Company Secretary (Appointed 25 August 2023)
I. H. Morgan	Company Secretary

### REVIEW OF OPERATIONS

Refer to results for announcement to the market.

### ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations (Rounding in the Financial/ Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

Dated this 30th day of September 2024 in accordance with a resolution of the directors.



J. E. Gowing  
Director

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the year ended	Notes	31 July 2024 \$'000	31 July 2023 \$'000
<b>Revenue</b>			
Interest income		709	360
Equities		768	1,392
Private equities		65	104
Investment properties	5	19,041	18,646
Development properties		8,788	7,950
Revenue from the sale of goods (Surf Hardware International)		37,715	42,749
<b>Total revenue</b>		<b>67,086</b>	<b>71,201</b>
<b>Other income</b>			
Gains / (losses) on disposal or revaluation of:			
Private equities		(214)	294
Investment properties	5	(341)	(13,286)
Other income		912	1,077
<b>Total other income / (loss)</b>		<b>357</b>	<b>(11,915)</b>
<b>Total revenue and other income</b>		<b>67,443</b>	<b>59,286</b>
<b>Expenses</b>			
Investment properties	5	8,465	8,218
Development properties		4,320	4,542
Finished goods, raw materials and other operating expenses (Surf Hardware International)		40,045	42,642
Administration <sup>(1)</sup>		4,542	3,333
Borrowing costs		5,677	5,838
Depreciation and amortisation		1,924	1,825
Employee benefits		2,426	1,821
Public company		453	669
<b>Total expenses</b>		<b>67,852</b>	<b>68,888</b>
<b>Loss from continuing operations before income tax</b>		<b>(409)</b>	<b>(9,602)</b>
Income tax benefit	4	370	4,317
<b>Loss from continuing operations</b>		<b>(39)</b>	<b>(5,285)</b>
<i>Loss from continuing operations is attributable to:</i>			
Members of Gowings Bros. Limited		(43)	(5,286)
Non-controlling interests		4	1
<b>Loss from continuing operations</b>		<b>(39)</b>	<b>(5,285)</b>

*The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying Notes.*

<sup>(1)</sup> Included in administration expenditure in the current period is \$500,000 write down of goodwill attributed to the Gowings Surf Hardware International acquisition.

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the year ended	Notes	31 July 2024 \$'000	31 July 2023 \$'000
<b>Loss from continuing operations</b>		<b>(39)</b>	<b>(5,285)</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified to profit or loss:</b>			
Exchange rate differences on translating foreign operations, net of tax		(159)	488
Changes in fair value of cash flow hedges, net of tax		(486)	683
<b>Items that will not be reclassified to profit or loss:</b>			
Changes in fair value of equity instruments held at fair value through other comprehensive income, net of tax		3,443	1,255
<b>Total comprehensive income / (loss)</b>		<b>2,759</b>	<b>(2,859)</b>
<i>Total comprehensive income / (loss) attributable to:</i>			
Members of Gowing Bros. Limited		2,755	(2,860)
Non-controlling interests		4	1
<b>Total comprehensive income / (loss)</b>		<b>2,759</b>	<b>(2,859)</b>
<b>Earnings per share</b>			
Basic loss per share	10	(0.07) c	(9.91) c
Diluted loss per share	10	(0.07) c	(9.91) c

*The above Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying Notes.*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Notes	31 July 2024 \$'000	31 July 2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents		18,327	17,394
Inventories		10,368	12,571
Trade and other receivables		5,665	6,834
Loans receivable		100	137
Development properties		2,629	6,332
Tax receivable		1,089	854
Other		3,328	1,334
<b>Total current assets</b>		<b>41,506</b>	<b>45,456</b>
<b>Non-current assets</b>			
Loans receivable		400	363
Equities		42,505	43,533
Private equities		5,199	5,231
Development properties		25,528	23,195
Investment properties	5	190,148	189,001
Property, plant and equipment		6,677	5,294
Right of use assets		1,331	1,333
Intangibles		3,674	3,710
Derivatives		372	898
Deferred tax assets		1,247	1,471
Other		3,415	2,795
<b>Total non-current assets</b>		<b>280,496</b>	<b>276,824</b>
<b>Total assets</b>		<b>322,002</b>	<b>322,280</b>
<b>Current liabilities</b>			
Trade and other payables		4,682	5,195
Borrowings		-	963
Leases		1,051	868
Provisions		819	812
<b>Total current liabilities</b>		<b>6,552</b>	<b>7,838</b>
<b>Non-current liabilities</b>			
Trade and other payables		-	10
Borrowings		95,865	94,310
Leases		692	559
Provisions		311	301
Deferred tax liabilities		24,327	23,910
<b>Total non-current liabilities</b>		<b>121,195</b>	<b>119,090</b>
<b>Total liabilities</b>		<b>127,747</b>	<b>126,928</b>
<b>Net assets</b>		<b>194,255</b>	<b>195,352</b>
<b>Equity</b>			
Contributed equity	7	11,113	11,781
Reserves	9	103,314	103,776
Retained profits	6	79,819	79,790
<b>Contributed equity and reserves attributable to members of Gowings Bros. Limited</b>		<b>194,246</b>	<b>195,347</b>
Non-controlling interests		9	5
<b>Total equity</b>		<b>194,255</b>	<b>195,352</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed Equity \$'000	Capital Profits Reserve- Pre CGT \$'000	Revaluation Reserves \$'000	Foreign Currency Translation Reserve \$'000	Hedging Reserve - Cash Flow Hedges	Retained Profits \$'000	Non- Controlling Interests \$'000	Total \$'000
<b>Balance at 31 July 2022</b>	<b>11,781</b>	<b>90,503</b>	<b>9,590</b>	<b>216</b>	<b>-</b>	<b>89,849</b>	<b>4</b>	<b>201,943</b>
Total comprehensive income for the year	-	-	1,255	488	683	(5,286)	1	(2,859)
Transfer of loss on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	-	-	1,041	-	-	(1,041)	-	-
<i>Transactions with owners in their capacity as owners:</i>								
Dividends paid	-	-	-	-	-	(3,732)	-	(3,732)
<b>Balance at 31 July 2023</b>	<b>11,781</b>	<b>90,503</b>	<b>11,886</b>	<b>704</b>	<b>683</b>	<b>79,790</b>	<b>5</b>	<b>195,352</b>
Total comprehensive income / (loss) for the year	-	-	3,443	(159)	(486)	(43)	4	2,759
Transfer of gain on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	-	-	(3,260)	-	-	3,260	-	-
<i>Transactions with owners in their capacity as owners:</i>								
Dividends paid	-	-	-	-	-	(3,188)	-	(3,188)
Share buy-back	(668)	-	-	-	-	-	-	(668)
<b>Balance at 31 July 2024</b>	<b>11,113</b>	<b>90,503</b>	<b>12,069</b>	<b>545</b>	<b>197</b>	<b>79,819</b>	<b>9</b>	<b>194,255</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended	Notes	31 July 2024 \$'000	31 July 2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts in the course of operations (inclusive of GST)		63,642	67,561
Payments to suppliers and employees (inclusive of GST)		(58,432)	(60,436)
Dividends and distributions received		768	1,496
Gain from Private Equities		252	-
Interest received		709	360
Borrowing costs paid		(5,317)	(5,760)
Income taxes paid		(1,186)	(1,745)
<b>Net cash inflows from operating activities</b>		<b>436</b>	<b>1,476</b>
<b>Cash flows from investing activities</b>			
Payments for purchases of properties, plant and equipment		(2,181)	(1,703)
Payments for purchases of intangibles		(594)	(2)
Payments for purchases of development properties		(2,333)	(3,863)
Payments for purchases of investment properties		(2,196)	(3,120)
Payments for purchases of equity investments		(3,358)	(3,104)
Payments for private equity investments		(305)	-
Payments for loans made		(137)	(200)
Proceeds from repayment of loans made		137	225
Proceeds from sale of equity investments		8,872	7,282
Proceeds from sale of development properties		8,788	7,950
Proceeds from sale of investment properties		-	5,696
<b>Net cash inflows from investing activities</b>		<b>6,693</b>	<b>9,161</b>
<b>Cash flows from financing activities</b>			
Payments for share buy-backs		(668)	-
Proceeds from borrowings		1,554	-
Repayment of borrowings		(963)	(1,888)
Repayment of lease liabilities		(2,931)	(1,336)
Dividends paid		(3,188)	(3,732)
<b>Net cash outflows from financing activities</b>		<b>(6,196)</b>	<b>(6,956)</b>
Net increase in cash held		933	3,681
Cash and cash equivalents at the beginning of the financial year		17,394	13,713
<b>Cash and cash equivalents at the end of the financial year</b>		<b>18,327</b>	<b>17,394</b>

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.*



## NOTES TO THE FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gowing Bros. Limited (“the Company”) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (“ASX”). This preliminary financial report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This preliminary financial report comprises the Company and its controlled entities (referred herein as “the Group”).

The preliminary final report is presented in Australian dollars and is prepared under the historical cost convention, modified by the revaluation of listed equities and direct unlisted investments (financial assets at fair value through other comprehensive income), private equities (financial assets at fair value through profit or loss), derivatives (financial liabilities at fair value through profit or loss), investment properties and certain classes of property, plant and equipment.

Conforming to Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the Group’s accounting policies. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these sources.

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

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

#### Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in the Financial/ Directors’ Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the “rounding off” of amounts in the directors’ report and interim financial report. Amounts in the directors’ report and interim financial report have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

#### New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all new, revised or amending Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amending Australian Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 2. SEGMENT INFORMATION

The Group comprises of the following business segments, based on the Group’s management reporting systems:

- Cash and fixed interest
- Equities
- Private equities
- Investment properties
- Development properties
- Surf Hardware International business
- Other

## 2. SEGMENT INFORMATION (CONTINUED)

For the year ended	31 July 2024 \$'000	31 July 2023 \$'000
<b>Segment revenue</b>		
Cash and fixed interest – interest received	709	360
Equities – dividends and option income received	768	1,392
Private equities – distributions received	65	104
Investment properties – rent received	19,041	18,646
Development properties – realised gains on disposal	8,788	7,950
Surf Hardware International business – sale of goods	37,715	42,749
	<b>67,086</b>	<b>71,201</b>
<b>Segment other income</b>		
Private equities – realised and unrealised gains	(214)	294
Investment properties – realised and unrealised gains	(341)	(13,286)
Other	912	1,077
	<b>(357)</b>	<b>(11,915)</b>
<b>Total segment revenue and other income</b>	<b>65,903</b>	<b>59,286</b>

For the year ended	31 July 2024 \$'000	31 July 2023 \$'000
<b>Segment result</b>		
Cash and fixed interest	709	360
Equities	768	1,392
Private equities	(149)	398
Investment properties	4,392	(8,272)
Development properties	4,468	3,408
Surf Hardware International business	(4,193)	(1,258)
Other	(6,404)	(5,630)
<b>Total segment result</b>	<b>(409)</b>	<b>(9,602)</b>
Income tax benefit	370	4,317
<b>Net loss after tax</b>	<b>(39)</b>	<b>(5,285)</b>

As at	31 July 2024 \$'000	31 July 2023 \$'000
<b>Segment assets</b>		
Cash and fixed interest	18,327	17,394
Equities	42,505	43,533
Private equities	5,198	5,231
Investment properties	190,148	189,001
Development properties	28,158	23,195
Surf Hardware International business	21,555	21,045
Unallocated assets	16,111	22,881
<b>Total assets</b>	<b>322,002</b>	<b>322,280</b>
<b>Segment liabilities</b>		
Investment properties	95,865	90,175
Surf Hardware International business	4,812	5,043
Unallocated liabilities	27,070	31,710
<b>Total liabilities</b>	<b>127,747</b>	<b>126,928</b>

## 2. SEGMENT INFORMATION (CONTINUED)

For the year ended	31 July 2024 \$'000	31 July 2023 \$'000
Payments for the acquisition of:		
- Investment properties	2,196	3,120
- Development properties	2,333	3,863
- Equities	305	3,104
Gains / (loss) on disposal or revaluation of:		
- Investment properties	(341)	(13,286)
- Private equities	(214)	294
Unallocated:		
- Payments for the acquisition of property, plant and equipment	2,181	1,703
- Payments for the acquisition of intangibles	594	2

### Accounting policies

Segment information is prepared in conformity with the accounting policies of the Group.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to a segment on a reasonable basis.

#### *All segments other than Surf Hardware International business segment*

Segment assets include all assets used by a segment and consist primarily of operating cash, investments, investment properties, development properties and plant and equipment, net of related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist of borrowings. Segment assets and liabilities do not include income taxes. Tax assets and liabilities, trade and other creditors and employee entitlements and goodwill are represented as unallocated amounts.

#### *Surf Hardware International business segment*

Segment assets include all assets excluding operating cash of \$1.09 million (2023: \$2.42 million) which is included in the cash segment) used by the Surf Hardware International business segment and consist primarily of trade and other receivables, inventories, plant and equipment, right of use assets and intangibles, net of related provisions. Segment liabilities consist of borrowings, trade and other payables, lease liabilities and employee entitlements. Segment assets and liabilities do not include income taxes. Tax assets and liabilities are represented as unallocated amounts.

### Segment cash flows

Segment information is not prepared for cash flows as management consider it not relevant to users in understanding the financial position and liquidity of the Group.

## 3. OPERATING PROFIT

For the year ended	31 July 2024 \$'000	31 July 2023 \$'000
Profit from continuing operations before income tax includes the following specific items:		
<b>Gains</b>		
Private equity investment distributions	65	104
<b>Expenses</b>		
Interest and other borrowing costs	5,677	5,838
Employee benefits	11,377	12,367
Cost of sales (Surf Hardware International)	22,436	24,809
Cost of sales (development properties)	4,320	4,542

**4. INCOME TAX**

For the year ended	31 July 2024 \$'000	31 July 2023 \$'000
Current tax	533	(842)
Deferred tax	(480)	(3,234)
Over provided in prior years	(423)	(241)
	<b>(370)</b>	<b>(4,317)</b>
Income tax attributable to:		
Loss from continuing operations	(370)	(4,317)
Aggregate income tax benefit on losses	(370)	(4,317)
<b>Reconciliation of income tax expense to prima facie tax on profit</b>		
(Loss) / profit from continuing operations before income tax expense	(409)	(9,602)
Tax at the Australian tax rate of 30% (2023: 30%)	(123)	(2,881)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-assessable income / Non-deductible expenses	(44)	28
Franked dividends	(264)	(422)
Over provision in prior year	(423)	(241)
Deferred tax assets not recognised and effect of tax rates in foreign jurisdictions	484	(801)
<b>Income tax benefit</b>	<b>(370)</b>	<b>(4,317)</b>
<b>Amounts recognised directly in equity</b>		
Aggregated current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or (credited) to equity	1,502	831

**5. NON-CURRENT INVESTMENT PROPERTIES**

As at	31 July 2024 \$'000	31 July 2023 \$'000
<b>At fair value</b>		
Balance at beginning of year	189,001	205,324
Additions	2,195	3,120
Disposal proceeds	-	(5,696)
Amortisation on incentives	(707)	(461)
Net loss from fair value adjustment	-	(13,271)
Net loss on disposal	(341)	(15)
<b>Balance at end of year</b>	<b>190,148</b>	<b>189,001</b>
<b>Amounts recognised in profit or loss for investment properties</b>		
Rental revenue	19,041	18,646
Direct operating expenses from rental generating properties	(8,465)	(8,218)
Net loss on revaluation or disposal	(341)	(13,286)
	<b>10,235</b>	<b>(2,858)</b>

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

**5. NON-CURRENT INVESTMENT PROPERTIES (CONTINUED)**

	Valuation Method	Weighted average cap rate 2024	Weighted average cap rate 2023	31 July 2024 \$'000	31 July 2023 \$'000
Sub-regional and Neighbourhood shopping centres (Coffs Central, Port Central and Kempsey Central)	(a)	7.42%	7.23%	189,030	187,885
Other properties	(b)			1,117	1,116
				<b>190,147</b>	<b>189,001</b>

(a) Fair value is based on capitalisation rates, which reflect vacancy rates, tenant profile, lease expiry and the underlying physical condition of the centre. The higher the capitalisation rate, the lower the fair value. Capitalisation rates used as at 31 July 2024 were based on internally prepared valuations.

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

**6. RETAINED PROFITS**

As at	31 July 2024 \$'000	31 July 2023 \$'000
Retained profits at the beginning of the financial year	79,790	89,849
Net loss attributable to members of Gowing Bros. Limited	(43)	(5,286)
Transfer of gain / (loss) on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	3,260	(1,041)
Dividends provided for or paid	(3,188)	(3,732)
	<b>79,819</b>	<b>79,790</b>

**7. CONTRIBUTED EQUITY AND ISSUED SECURITIES**

	Number of shares 31 July 2024	Number of shares 31 July 2023	31 July 2024 \$'000	31 July 2023 \$'000
<b>Share capital</b>				
Ordinary shares fully paid	53,016,693	53,311,125	11,113	11,781

**Movements in ordinary share capital**

Date	Details	Number of shares	Issue price per share	\$'000
31/07/2023	Balance	53,311,125		11,781
09/10/2024	Share buy back	(50,000)		(115)
12/01/2024	Share buy back	(157,480)		(359)
24/01/2024	Share buy back	(37,152)		(83)
14/02/2024	Share buy back	(49,800)		(111)
<b>31/07/2024</b>	<b>Balance</b>	<b>53,016,693</b>		<b>11,113</b>

**Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

## 7. CONTRIBUTED EQUITY AND ISSUED SECURITIES (CONTINUED)

### Dividend Reinvestment Plan

The Dividend Reinvestment Plan may be offered to shareholders by Directors and allows shareholders to reinvest dividends into shares in the Company.

### Deferred Employee Share Plan

The Deferred Employee Share Plan may be used as part of any incentive payments for all employees. For transaction cost reasons, where possible shares bought back as part of the Company's ongoing capital reduction program are recognised for this purpose rather than cancelled.

### Options

There were no options on issue at the time of this report.

### On-market share buy back

There were 294,432 shares bought back during the year (2023: NIL).

## 8. DIVIDENDS

	Cents per share	Total amount \$	Date of payment
The following dividends were declared and paid by the Group during the year ended 31 July 2024:			
Final fully franked dividend	3.0 cents	1,599,334	27 October 2023
Interim fully franked dividend	3.0 cents	1,590,591	16 April 2024

Dividends paid during the year were fully franked at the tax rate of 30%.

Since the end of the year ended 31 July 2024, the directors declared the following dividend:

Final fully franked dividend	3.45 cents	1,829,076	5 November 2024
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The dividend declared since the year end will be fully franked at the tax rate of 30%.

## 9. RESERVES

As at	31 July 2024 \$'000	31 July 2023 \$'000
<b>Capital profits reserve<sup>1</sup></b>		
Opening balance	90,503	90,503
Transfer from retained profits	-	-
<b>Closing balance</b>	<b>90,503</b>	<b>90,503</b>
<b>Long term investment revaluation reserve<sup>2</sup></b>		
Opening balance	11,886	9,590
Changes in financial assets held at fair value through other comprehensive income		
- Changes in fair value of equities	4,919	1,794
- Deferred tax applicable to fair value adjustments	(1,475)	(539)
- Transfer of loss on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	(3,260)	1,041
<b>Closing balance</b>	<b>12,070</b>	<b>11,886</b>

**9. RESERVES (CONTINUED)**

As at	31 July 2024 \$'000	31 July 2023 \$'000
<b>Foreign currency translation reserve<sup>3</sup></b>		
Opening balance	704	216
Exchange differences on translation of foreign operations	(159)	488
<b>Closing balance</b>	<b>545</b>	<b>704</b>
<b>Hedging reserve – Cash flow hedges<sup>4</sup></b>		
Opening balance	683	-
Changes in hedges held at fair value through other comprehensive income		
- Changes in fair value of cash flow hedges	(486)	975
- Deferred tax applicable to fair value adjustments	-	(292)
<b>Closing balance</b>	<b>197</b>	<b>683</b>
<b>Total reserves</b>	<b>103,314</b>	<b>103,776</b>

<sup>1</sup> The capital profits reserve is used to record pre-CGT profits.

<sup>2</sup> The long term investment revaluation reserve is used to record increments and decrements in the fair value of equities held at fair value through other comprehensive income.

<sup>3</sup> The foreign currency translation reserve records exchange rate differences arising on translation differences on foreign controlled subsidiaries.

<sup>4</sup> The Hedging reserve is used to recognise the effective portion of gains and losses on derivatives that are designated and qualify as cash flow hedges.

**10. EARNINGS PER SHARE**

For the year ended	31 July 2024	31 July 2023
Basic loss per share (cents)	(0.07)	(9.91)
Diluted loss per share (cents)	(0.07)	(9.91)
Weighted average number of ordinary shares on issue (basic and diluted)	53,142,158	53,311,125
<b>Net loss after tax</b>	<b>(\$39,000)</b>	<b>(\$5,285,000)</b>

**11. NET TANGIBLE ASSET BACKING**

As at	31 July 2024	31 July 2023
NTA per ordinary security before tax on unrealised gains*	\$3.80	\$3.79
NTA per ordinary security after tax on unrealised gains	\$3.62	\$3.59

The company is a long-term investor and does not intend to dispose of its investment portfolio.

\*Net tangible asset backing before tax on unrealised gains on equities, investment properties and private equities.

**12. INTERESTS IN OTHER ENTITIES (EXCLUDING JOINT VENTURES)**

The Group's principal subsidiaries and other interests are set out below:

Unless otherwise stated, subsidiaries and other interests listed below have share capital comprising of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group.

Entity Name	Country of Incorporation	Ownership Interest %	Ownership Interest %
		2024	2023
Pacific Coast Developments 357 Pty Ltd	Australia	100	100
Pacific Coast Developments 357 Fund	Australia	99.9	99.9
1868 Capital Pty Ltd	Australia	100	100
Pacific Coast Developments 112 Fund	Australia	99.9	99.9
Gowings SHI Pty Ltd	Australia	99.9	99.9
SHI Holdings Pty Ltd*	Australia	99.9	99.9
Fin Control Systems Pty Ltd	Australia	99.9	99.9
Surfing Hardware International Holdings Pty Ltd	Australia	99.9	99.9
Surf Hardware International Asia Pty Ltd	Australia	99.9	99.9
Surf Hardware International Europe SARL	France	99.9	99.9
Surf Hardware International UK Ltd	England	99.9	99.9
OZ4U Holdings Pty Ltd	Australia	99.9	99.9
Sunbum Technologies Pty Ltd	Australia	99.9	99.9
Surfing Hardware International USA Inc.	United States of America	99.9	99.9
Surf Hardware International USA Inc.	United States of America	99.9	99.9
Surf Hardware International Hawaii Inc.	United States of America	99.9	99.9
Surf Hardware International Japan KK	Japan	99.9	99.9
Surf Hardware International Pty Ltd	Australia	99.9	99.9
Surf Hardware International New Zealand Pty Ltd	New Zealand	99.9	99.9
Gowings Master Trust	Australia	100	100
1868 High Yield Trust	Australia	100	100
Gowings Life Sciences Trust	Australia	100	100
Gowing Bros Management Services Pty Ltd	Australia	100	100
Coastbeat Pty Ltd	Australia	100	100
Gowings Wholesale Property Fund	Australia	100	100
Coffs Central Pty Ltd	Australia	100	100
Coffs Central Sub-Trust	Australia	100	100
Port Central Pty Ltd	Australia	100	100
Port Central Sub-Trust	Australia	100	100
Kempsey Central Pty Ltd	Australia	100	100
Kempsey Central Sub-Trust	Australia	100	100

No other interests in subsidiaries or other entities (excluding joint ventures) were held by the Group in the 31 July 2024 financial year.

Non-controlling interests in subsidiaries and other interests of the Group are not material to the Group.





**13. SUBSEQUENT EVENTS**

The Group has announced a dividend since the end of the year which has been included in Note 8.

No other matters or circumstances have arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.