



Enriching People's
Lives, since 1868

APPENDIX 4E | For the year ended 31 July 2022



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 2022 with the previous corresponding period being the year ended 31 July 2021. This report is based on financial statements which are in the process of being audited.

		31 Jul 2022	31 Jul 2021
REVENUE			
Total Revenue ⁽¹⁾	Up 4.21%	\$74.2 million	\$71.2 million
Other income ⁽²⁾	Up 29.51%	\$7.9 million	\$6.1 million
EARNINGS			
Profit after tax ⁽³⁾	Up 4.81%	\$10.9 million	\$10.4 million
Earnings per share	Up 5.53%	20.42 c	19.35 c
NET ASSETS PER SHARE			
Before provision for tax on unrealised gains ⁽⁴⁾	Up 3.60%	\$4.03	\$3.89
DIVIDENDS – This Period			
2022 Final fully franked dividend per share ⁽⁵⁾		3 cents	
2022 Final fully franked special dividend per share ⁽⁵⁾		1 cent	
2022 Interim fully franked dividend per share		3 cents	
2022 Interim fully franked special dividend per share		1 cent	
DIVIDENDS – Prior Period			
2021 Final fully franked dividend per share ⁽⁶⁾		3 cents	
2021 Final fully franked special dividend per share ⁽⁶⁾		1 cent	
2021 Interim fully franked dividend per share		3 cents	
2021 Interim fully franked special dividend per share		1 cent	

COMMENTS

- (1) Total Revenue was up 4.21% on the prior year
- (2) Other income of \$7.9 million
- (3) Profit After Tax increased to \$10.9 million. 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 increased to \$4.03 from \$3.89 during the year ended 31 July 2022. This included the payment of 8.0c in dividends.
- (5) The board has elected to declare a final 3 cents per share fully franked LIC dividend and a special 1 cent per share fully franked LIC dividend. The record date for the final dividend is 13 October 2022, with a payment date of 28 October 2022. The dividend reinvestment plan has been suspended for this dividend.
- (6) The 2021 final dividend was a 3 cents per share fully franked LIC dividend and a special 1 cent per share fully franked LIC dividend.

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

MANAGING DIRECTORS REVIEW OF OPERATIONS

THE TIMES ARE CHANGING

As we have come to the end of our 154th year of trading and enter our 155th year, so much has changed, yet every little piece of certainty is replaced by a new challenge. Yesterday it was the Pandemic, mandates and lockdowns. Today sabre rattling, war on the continent, a return of systematic inflation and zealous central banks yielding their blunt higher interest rate weapon.

Hopefully we have seen the backend of the pandemic restrictions and most elements of everyday life are getting back to normal. How quickly inflation has taken hold, particularly with petrol and energy prices. Let us hope that wise Reserve Bank and Treasury Dept officials understand that inflation is caused by an excess of demand over supply. There are many intelligent fiscal actions that could be taken to free up supply and take the pressure off the Reserve Banks higher interest rate fixation.

Since the impact of the pandemic has begun to wane, especially the high level of enforced isolations and their associated record level of absenteeism. We have seen a rebound in foot traffic and trading, to pretty much pre-pandemic levels. Most of our retail leases have a percentage of turnover provision or an annual CPI uplift which to some extent should protect the underlying value of our shopping centres during the new period of inflation.

As advised in our interim report, in response to NSW Government's legislated retailer support package, Gowings as landlord provided approx. \$450,000 support to our qualifying retailers. This rental abatement has been offset against the prudent \$2 million provision we made for ongoing pandemic relief in last year's annual accounts.

A highlight of the year's results was the realisation of several investments in our private equity portfolio. Notably the sale of our investment in EFT Sure held both directly by Gowings and in Our Innovation Fund, which netted Gowings a profit of \$2.4 Million. Other realised gains during the year amounted to \$5.1 Million.

Just prior to the year end, a binding contract was entered into by Murray Darling Ltd, to sell our farm Burrawang Station, and associated assets, including our very famous Burrawang Dorper Sheep Stud. For which we received a handsome return.

As reported in last year's annual report, two of our long-term unlisted investments went through an IPO process during the first half and listed on their respective local stock exchanges. The companies were Cobram Estate Ltd listed on the ASX, and Dice Molecules on the NASDAQ.

Post year end we entered into an agreement with our partner in our Bowral City Centre Arcade to sell our half share to them. The proceeds of this sale have since been received, I believe the timing of this sale was opportune and the return to Gowings has been solid.

On the negative side of the ledger, we took the difficult decision to sell our long-term position in Hexima at a loss, prior to the year end, because of the surprise very poor results received on their most recent clinical trials.

GOWINGS SURF HARDWARE INTERNATIONAL

Our wholly owned subsidiary Surf Hardware International (SHI) had a strong first half year, contributing approx. \$2 million to continuing Gowings Group earnings however although sales for the year were quite strong underlying gross and net profit for the full year was impacted by wildly swinging exchange rate fluctuations in Japan and Europe, as the BOJ and EU did not keep up with the US Fed Reserve interest rate hikes, leading to significant devaluations in yen and the euro vs the US Dollar.

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)

SUSTAINABILITY PROGRAMME

Gowings has continued investigating and implementing sustainability initiatives across all areas of our business operations. Our goal is to have as light an impact on the environment as is realistically possible. Initiatives either commenced, under investigation or completed include;

- | | |
|--|---|
| ▪ Kempsey Central rooftop solar system. | Completed. |
| ▪ Coffs Central green waste composting system. | Completed. |
| ▪ Port Central green waste composting system. | Completed. |
| ▪ Comprehensive independent review of Gowings Mid North Coast operations with the goal of installing substantial solar and renewable energy micro grid. | Draft report received and being 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. | Investigative drilling Completed |
| ▪ Independent report on best sustainable practices for packaging & product development at Gowings SHI | Underway |

SAWTELL COMMONS

Stage 3 at Sawtell Commons is all but complete. There have been some continuing unavoidable delays due to consistent wet weather and some of the contracting team isolating due to Covid. We are in the process of releasing and reselling part of this next stage. The market in Coffs Harbour for residential land is quite strong, as there is virtually no land available apart from ours. It will be interesting to see how the market pans out, post change in Federal Govt, 3 interest rate rises and the commencement of construction of the Coffs Harbour Bypass.

DIVIDENDS

The Group has generated strong operational cash-flows and will be declaring an interim 3c fully franked dividend, and a 1c special dividend supported by our private equity realizations during the year.

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

May you live in interesting times' is a Chinese curse that seems currently very pertinent. Uncertainty continues to prevail. We are fortunately in a relatively good space on the Mid North Coast of NSW, which has and continues to be a net beneficiary of the times.

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



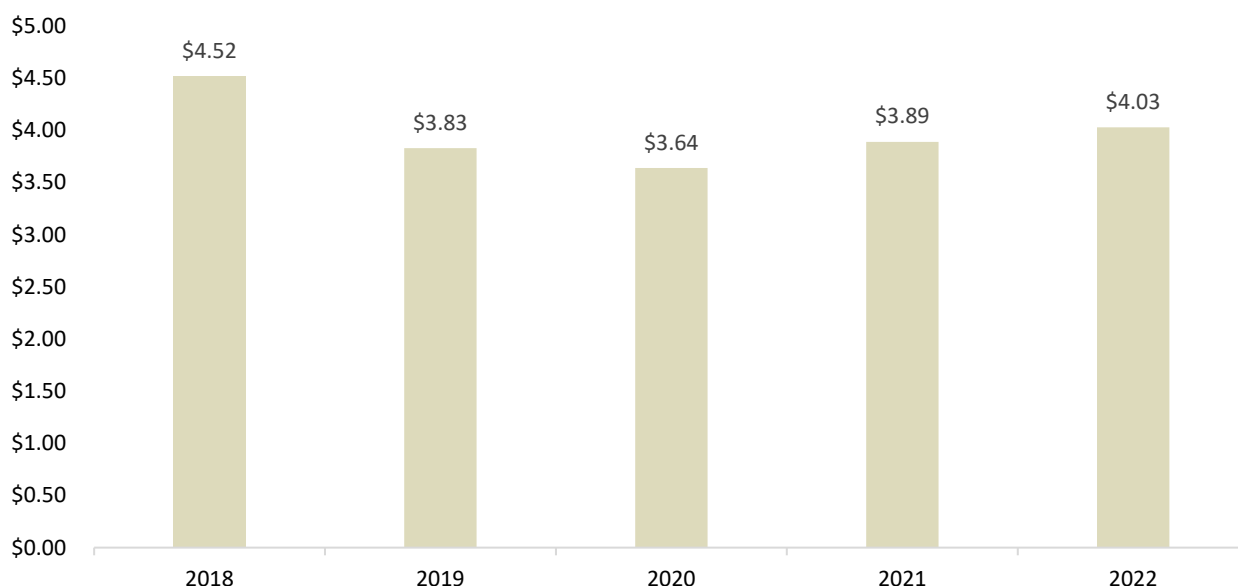
J. E. Gowing
Director

MANAGING DIRECTORS 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 2022.

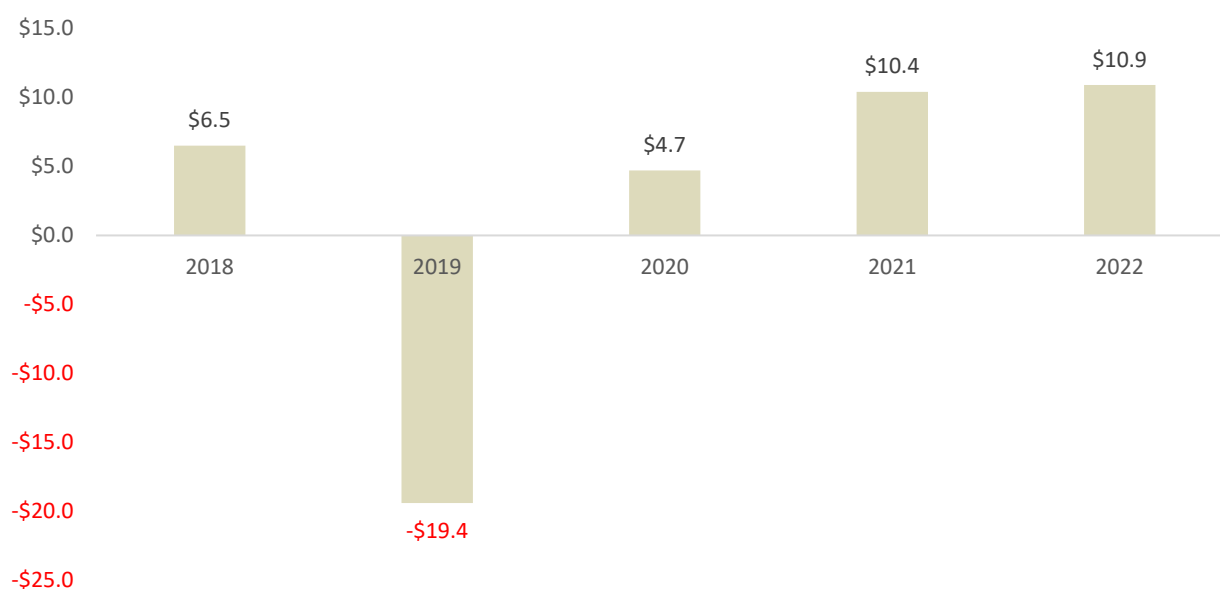
Financial Review

Net Assets per Share

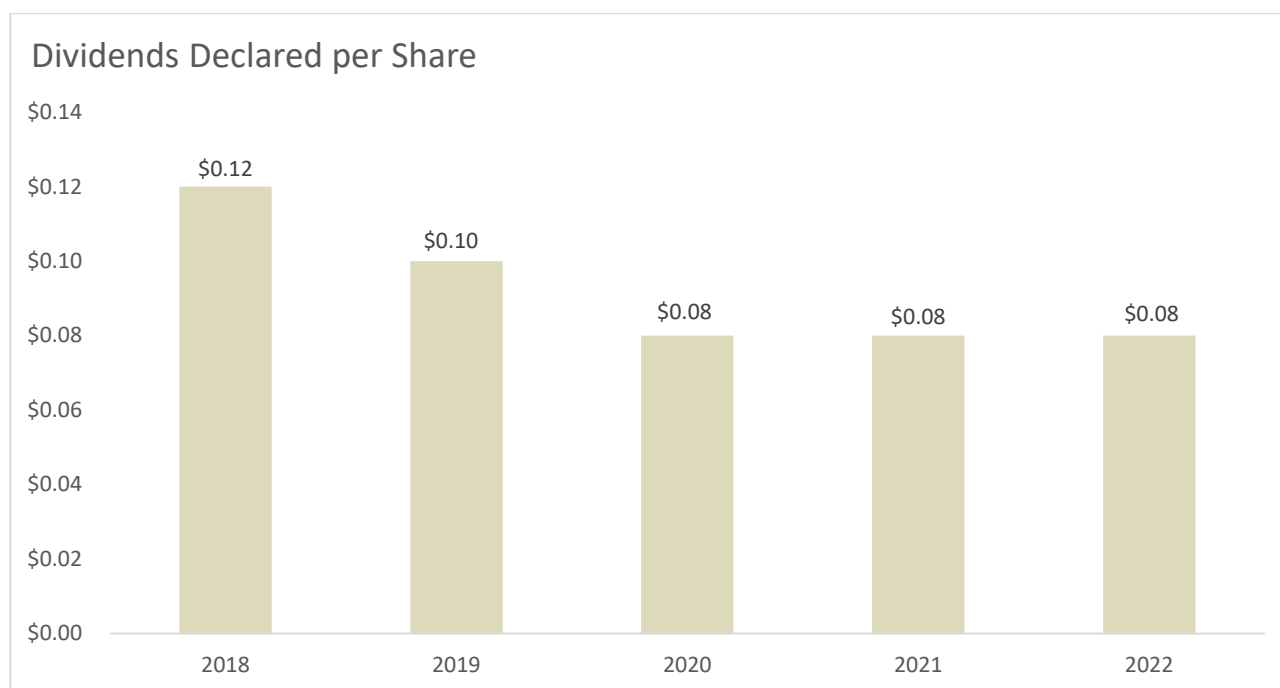


Net assets per share before tax on unrealised gains on equity, investment properties and private equities increase to \$4.03 as at 31 July 2022. Total shareholder return was 5.7% including the increase in net assets per share and the 8.0c paid to Shareholders during the year.

Net Profit / (Loss) After Tax (\$million)



Profit After Tax for the year ended 31 July 2022 includes underlying income from ordinary activities such as rent, interest, dividends and revaluations of the investment portfolio.

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)

The Company declared a total dividend of 8.0c in fully franked dividends for the 2022 year. The directors have suspended the dividend reinvestment plan for the final dividend declared to be paid on 28 October 2022.

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 2022	31 July 2021	31 July 2020	31 July 2019	31 July 2018
Net Assets ⁽¹⁾	\$215.5m	\$208.6m	\$195.5m	\$206.8m	\$242.7m
Net Assets per Share ⁽²⁾	\$4.03	\$3.89	\$3.64	\$3.83	\$4.52
Net profit after tax	\$10.9m	\$10.4m	\$4.7m	(\$19.4) m	\$6.5m
Earnings per Share	20.42c	19.35c	8.82c	(36.07) c	12.18c
Dividends per Share	8.0c	7.0c	10.0c	11.0c	12.0c
Total Shareholder Return	5.7%	8.8%	(2.3%)	(12.8%)	4.7%

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

(2) Net Assets per share before tax on unrealised gains on 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.

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)

PROFIT AND LOSS STATEMENT

For the year ended	31 Jul 2022 \$'000	31 Jul 2021 \$'000
Net Income from Ordinary Activities		
Interest Income	132	186
Investment Properties	7,926	7,094
Development Properties	-	648
Equities – Dividend Income	894	437
Managed Private Equities	100	449
Surf Hardware International	3,110	5,304
Total Net Income from Ordinary Activities	12,162	14,118
Head Office Expenses		
Administration, public company and other	4,481	2,786
Operational Profit	7,681	11,332
Gain/(loss) on sale or revaluation		
Investment properties – unrealised	1,404	156
Freehold Properties - realised	-	946
Managed private equity – unrealised	(1,018)	2,515
Managed private equity – realised	3,769	-
Derivatives (Fixed Interest Rate Hedge) - realised	-	587
Other		
Other Costs	(23)	(2,456)
Other Income	2,051	543
Profit before tax	13,864	13,623
Income tax expense	(2,944)	(3,241)
Profit after tax	10,920	10,382

Net Investment Property income of \$7.9 million represents a good result for the shopping centres and is underpinned by retailers performing and trading well over the period as well as the maintenance of our tenant base. Other income includes the reversal of the rent relief provision and is the driver of the increase.

Surf Hardware International net income of \$3.1 million is a 41% decrease on the previous year but it still should be noted that it is the Company's second-best year on record. Towards the end of 2022 significant headwinds relating to the global economy have impacted their results, further detailed in the commentary below.

Overall Total Net Income from Ordinary Activities of \$12.2 million represents a 14% decrease on the prior year primarily driven by Surf hardware International.

The unrealised gain on Investment Properties of \$1.25 million relates to the revaluation of Bong Bong to reflect the agreed sales price, refer to note 14 for more details.

Private equity realisations during the period were significantly higher than the prior period, refer to page 13 for further detailed commentary.

Overall, the profit after tax was \$10.9 million compared to the previous year which was \$10.4 million.

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)

GOWINGS AT A GLANCE (At Directors Valuation)

	31 July 2022 \$'000	31 July 2021 \$'000
Strategic Investments		
Surf Hardware International (at cost)	16,000	16,000
Cobram Estates Olives	14,293	14,834
Carlton Investments	6,187	6,484
Murray Darling Food Company	3,500	2,157
Dice Molecules	2,882	2,304
Power Pollen Accelerated Ag Technologies	1,621	885
Three Valley Meats	950	950
NSX Limited	600	1,250
SYMBYX	600	600
EFTsure	599	681
Eratos	500	-
Australian Foundation Investments	464	488
Washington H Soul Pattison & Company Limited	439	558
Other Investments – Australia	12,119	11,042
Other Investments - International	1,978	1,704
Total	62,732	59,937
Private Equity Funds		
Our Innovation Fund I ²	2,265	2,544
OurCrowd Australia	1,181	1,424
Our Innovation Fund II	435	175
Skalata Fund II	300	-
Other Private Equity Funds ²	465	3,860
Total	4,646	8,003
Pacific Coast Shopping Centre Portfolio		
Sub-regional and Neighbourhood shopping centres	198,575	198,069
Borrowings	(94,310)	(94,309)
Total	104,265	103,760
Other Direct Properties		
Sawtell Commons - residential subdivision	17,809	12,480
Solitary 30 - Coffs Harbour development land	3,864	3,864
Other properties	15,282	8,132
Borrowings	(1,000)	(1,101)
Total	35,955	23,375
Cash and Other		
Cash (AUD)	7,673	21,919
Cash (USD)	4,388	7,087
Tax liabilities	(13,304)	(14,021)
Surf Hardware International consolidation impact ¹	(4,517)	(1,310)
Other assets & liabilities	13,618	(103)
Total	7,858	13,572
Net assets before tax on unrealised gains on equities, investment properties and private equities	215,456	208,647
Provision for tax on unrealised gains on equities, investment properties and private equities	(13,513)	(13,497)
Net assets after tax on unrealised gains on equities, investment properties and private equities	201,943	195,150

¹ Difference between the investment in Surf Hardware International (at cost) and net assets attributable to the group on consolidation.

² During the year \$5.5 million dollars was realised in relation to private equities.

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)

STRATEGIC INVESTMENTS

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

Gowings Surf Hardware International (GSHI) delivered a strong result in FY22 generating sales of \$55.5 million, a 10% increase on the prior corresponding period. GSHI benefited from continued strong demand in all global markets but has been challenged from worldwide macro-economic factors, which have had an adverse impact on gross margins resulting in a lower profit for the year.

The business continues to have a key focus on driving the direct-to-consumer (DTC) ecommerce sales with a new community initiative, additional websites, and investment in resources. Ecommerce sales grew by 20% compared to the previous period.

During the period the business continued its contribution of 1% of sales to the Gowings Whale Trust to support ocean conservation and the preservation and restoration of our natural environment. The business also launched a new range of eco-blend products featuring plastic-free, bio-based materials and recycled packaging. These initiatives will continue across many product categories as those products are updated.

Many other product initiatives commenced in FY22 including the investment in the Sovereign Manufacturing Automation for Composites CRC (SoMAC CRC), to build our manufacturing knowledge and capabilities, the commencement of fin production locally in both NZ and Australia and continued work with Auckland University of Technology.

Subsequent to year end, we are pleased to announce that the business successfully recruited a new CEO, Mr Tony Emerton, who brings his success and experience in the surf industry to the business.

Looking forward, we expect the global challenges to continue, although we are now well placed to benefit from the recently implemented price increases, improved international freight costs, inventory availability and a strong range of products.

Listed Australian Shares

ARGO Investments

Value at year end \$390,000

Argo Investments (ARG) is an Australian listed investment company which trades its shares on the Australian Stock Exchange. They take their name from the ship that carried Jason and the Argonauts on their quest to capture the golden fleece and maintain a diversified conservative exposure to 90 plus Australian listed companies. Argo take a long-term investment approach and their straightforward business model has proven resilient since their founding in 1946. Overall the Argo approach is conservative, long term, blue chip and dividend focussed.

www.argoinvestments.com.au

Australian Foundation Investments

Value at year end \$464,000

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

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)**STRATEGIC INVESTMENTS****Listed Australian Shares****Carlton Investments****Value at year end \$6,187,000**

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

Cobram Estate Olives**Value at year end \$14,293,000**

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

TPG Telecom Ltd**Value at year end \$361,000**

TPG (TPG) is a multi-award winning telecoms service provider founded by David Teoh in 1986. With a core business revolving around facilitating communications service access for retail, businesses, government, TPG merged with Vodafone Hutchison Australia in 2020. They are among Australia's most recognisable communications service providers and own extensive end to end network infrastructure and fibre optic networks including the PPC-1 cable from Sydney to Guam that links Australia to Asia and America. Further to their Australian interests they also operate in New Zealand and Singapore.

www.tpg.com.au

Treasury Wine Estates**Value at year end \$368,000**

Treasury Wine Estate (TWE) was established out of the Foster's Group's wine division in 2011 and is one of the world's largest wine companies. Although a relatively new company, it owns and manages some of the New World's oldest and most prestigious wineries such as Penfolds (Australia) founded in 1844, and Beringer Vineyards (United States) founded in 1876. As their name suggests their main business is the production and sale of a large variety of wines across the globe.

www.tweglobal.com

Washington H Soul Pattinson**Value at year end \$439,000**

Washington H Soul Pattinson (WHSP) was incorporated in 1903 as a merger between Washington H Soul and Co and Pattinson and Co. The company began with the ownership and operation of pharmacies, but has evolved into a diversified investment company with uncorrelated investments and holdings in mining, agriculture, retail, property and listed equities. Listed for 116 years it is still governed by descendants of the founding family.

www.whsp.com.au

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)

STRATEGIC INVESTMENTS

Listed Australian Shares

Woodside

Value at year end \$351,000

Woodside Energy (WDS) is an Australian energy exploration and production company. Founded in 1954 and based in Perth they were the biggest independent company of their type in Australia. In 2021 Woodside merged with BHP Petroleum and their operational theatre is now global in nature. Along with a suite of quality gas and oil assets, good progress is being made on the hydrogen initiatives H2Perth and H2TAS in Australia and H2OK in North America.

www.woodside.com

Listed International Shares

Dice Therapeutics

Value at year end \$2,882,000

Dice Therapeutics (DICE NASDAQ) is an American biopharmaceutical company based in San Francisco. They are undertaking clinical-phase testing of oral agents to combat autoimmune disorders and inflammatory diseases. Their aim is to produce orally digestible medicines in an area of that has traditionally been dominated by injectable treatments. Combining innovative chemistry with well validated biology, their aim is to reduce the invasiveness of current methods and improve access to treatment.

www.dicetherapeutics.com

Unlisted Australian Shares

Murray Darling Food Company

2,050,000 shares purchased for \$2,045,000, sold at year end for an estimated \$3,500,000 (subject to winding down costs) \$1,850,000 received.

The Murray Darling Food Company based near Condobolin, NSW, has a focus on producing world class lambs, ewes, and rams for meat production. Their signature breed the 'Burrawang Dorper' has been well received with the sale of a single prime ram for \$62,000.00, a record in sheep sale terms. Whilst Australian based the business sells and distributes semen and stock internationally.

At year end, the Murray Darling Food Company had entered into a scheme to sell all business assets and property as a going concern. To date Gowings have received initial proceeds of \$1,850,000 with an estimated additional \$1,650,000 to be received on transaction finalisation.

EFTSure

Value at year end \$599,000

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.

Early in 2022 the majority of EFTSure shares were sold to private equity group Level Equity. Gowings sold 80% of its shareholding for \$2.1 million dollars with the remaining 20% revalued upwards to reflect the pricing of the sale.

www.get.eftsure.com.au

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)**STRATEGIC INVESTMENTS****Unlisted Australian Shares****SYMBYX****Value at year end of \$600,000**

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

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

Surf Lakes**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

Unlisted International Shares**Power Pollen****Value at year end \$1,621,000**

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. The technology has now been extended to corn grain production with market availability expected in 2026.

www.powerpollen.com

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)

STRATEGIC INVESTMENTS

Private Equities

OurCrowd Australia

Value at year end \$1,181,000

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. Their approach has garnered significant support with \$1.8 billion in commitments received as of April 2022.

www.ourcrowd.com

Our Innovation Fund I, II & III

Value at year end \$2,850,000

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. Key highlights for the year include total distributions of \$3,114,000 from Assignar, EFTSure, XM Cyber and Instacluster which represents a significant return on investment. The portfolio also includes GO1, Enboarder and Advanced Navigation.

www.oifventures.com.au

Five V Capital

Value at year end \$160,000

Although generally fully realised the Five V Fund deserves an honourable mention for contributions in the current year. In total the Group received \$3,514,000 as a result of the crystallisation of Universal Store, Education perfect and Probe. The investment in the Fund was a great success and holdings remaining include Plenti and Madman.

www.fivevcapital.com

Convertible Notes

Tasmanian Oyster Company

400,000 shares purchased for \$400,000, value at year end \$400,000

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

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)

STRATEGIC INVESTMENTS

Pacific Coast Shopping Centre Portfolio

Pandemic Recovery and the Underlying Resilience of Retail Sales

We are pleased to report that since the Omicron outbreak and lockdowns in late 2021 we have experienced a strong and steady rebound in retail sales and foot traffic across our three shopping centres for the remainder of the year and we expect this momentum to continue.

Retailer confidence continues to improve consistently across all retail categories and it is pleasing to see the steady rebound in the travel, health & beauty and the food & hospitality sectors that were hit particularly hard by the pandemic.

Despite a rising inflationary and interest rate environment, as well as international geopolitical tensions, we remain cautiously optimistic that the fundamentals of the Australian economy and retail sales will remain relatively strong over the foreseeable future.

Focus on Growing the Retail Portfolio

Despite the challenges we have faced during the pandemic, the Gowings centre management and leasing teams have been focussed on providing retailer support and growing the core retail portfolio through a strategic leasing and renewals programme focus which continues to gain momentum on a monthly basis.

Given the strong population growth and continued Govt infrastructure investment in the mid north coast region, our shopping centre portfolio is ideally placed to capitalise on this momentum. There has been a corresponding increase in leasing interest from national retailer groups looking for a foothold in our centres as they seek to benefit from these new opportunities.

During this retail recovery period we have been successful in securing a number of new high-quality operators as well as a number of strategic tenancy renewals.

Coffs Central

We are very proud to welcome the iconic Drifta Stockton Supastore into Coffs Central which is an exciting and innovative Australian owned 4wd, outdoors and camping retailer.

The leasing pipeline and enquiry levels are strong with three new lease deals currently being negotiated. Six retailers renewed during the year and over ten renewals are currently in progress and at varying levels of finalisation. The leasing team continues to take a highly selective approach to tenant mix with a focus on high quality operators with vibrant and experiential offers.

We are very excited to report that construction has now commenced on our innovative Gowings Shared Workspace facility which will further activate and support centre sales when it opens in the first half of 2023.

On the development side we were successful in achieving a number of important milestones during the year including approval for a separate strata title for the Gowings commercial tower as well as DA approval for a liquor license & bottle shop. We also continue to explore further development opportunities at Coffs Central including the DA approved hotel, rooftop apartments and office tower expansion.

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)

STRATEGIC INVESTMENTS

Pacific Coast Shopping Centre Portfolio

Port Central

We are pleased to welcome The Sunglass Hut & Mister Minit to the centre and Port Central overall continues to trade relatively strongly. The leasing pipeline and enquiry levels are healthy with four new lease deals currently being negotiated, three retailers leases finalised and six retailer group renewals currently in progress at varying levels of finalisation.

We have made good progress on the design and feasibility of various capital upgrade initiatives to the centre during the year and we continue to focus on the redevelopment and retail mix and relocation opportunities to enhance the centre experience for our retailers and shoppers.

We are pleased to report that we have made good progress on the potential development options relating to our adjoining block of land site at 99 William St. into a vibrant mixed-use development connected to Port Central. Planning and feasibility work remains ongoing.

Other Investments Properties & Properties Under Development

Sawtell Commons

Sawtell Commons Stage 3 is nearing completion and registration of the 56 individual lots is scheduled for the middle of October. Sales pricing has been set and 14 lots have already exchanged. A sales plan is in the process of being enacted as the lots come closer to completion. Work is underway to progress the 36 lots associated with Stage 4 with a forecast availability next financial year.

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 with our planning.

Logie Farm and Pipers Brook

During the year, the Company purchased two properties in Tasmania with the view that agriculture in Tasmania is 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 present both agricultural and development opportunities. Updates will be provided as strategy and future plans develop.

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)

SUSTAINABILITY PROGRAMME

Update

As the world population continues to grow, the human race has a greater and more pronounced effect on our environment and climate. With the increase in extreme weather events such as droughts, fires and floods across the globe, along with predicted sea level rises, it is clear we need to respect nature and minimise our impact on the environment. In Australia we are fortunate enough to be in a position to start the shift towards a zero emissions future with strong uptake in alternative energy sources and technologies.

Gowings continues to be committed 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 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 and organic composters have been installed with the assistance of an EPA grant to allow us to divert food waste from landfill. A rooftop garden has also been commissioned at Coffs Central.

Future Plans

All centre lighting has been converted to LED and plans are underway to augment existing centre PV (solar) capacities with two 400kW rooftop solar systems installed at both Port and Coffs on a shade sails structure above the carparks and a further 99kW system installed at Kempsey. This will bring the combined total solar system output to 1,128kw, (this equates to the 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 having an embedded network whereby retailers can purchase solar electricity from Gowings at favourable rates and we have applied for a NSW Government grant to install electric vehicle chargers at each centres.

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 the estate wide energy saving opportunities. Opportunities include geothermal heating and cooling, heat pump technology, rainwater harvesting, a community battery, and a virtual power plant/microgrid. expanded upon in the next section.

Some preliminary geothermal work has taken place with 3 pilot sites drilled and thermally tested with initial findings positive. An independent engineer has been engaged to design a community wide system undertake a financial feasibility study.

MANAGING DIRECTORS REVIEW OF OPERATIONS (CONTINUED)

SUSTAINABILITY PROGRAMME

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

Future Plans

Pending necessary government approvals and feasibility study outcomes we hope to establish an estate wide geothermal system. Ideally this would be paired with resident solar panels and a community microgrid and battery so residents can sell energy to each other and to the grid as a block.

Gowings plan on retaining a number of lots to establish a build-to-rent initiative based on passive house designs.

Gowings Surf Hardware international

Completed Initiatives

GSHI manufactures a range of globally recognised surf sport related brand 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. This equates to approximately 10-20% of all GSHI profit generated. A report into eliminating single use plastics in packaging has been completed with the finding 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 sequester carbon and offset emissions created in other areas of the company.

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 and their merchandise is promoted at Gowing centres to provide additional support.

Future Plans

Whilst there are a number of worthy charities to partner with, Gowings is closely considering the Plastic Collective and Ocean Warriors Australia.

The Plastic Collective is a charity working predominantly in Asia and the Pacific and empowers local communities recycle plastic waste. They provide the training and equipment to enable plastic to be recycled and reused and establish a community supporting profit generating enterprise.

Ocean Warriors Australia is a not-for-profit organisation comprised of marine veterinarians and rescuers dedicated to rescuing and recuperating injured, sick or orphaned marine wildlife.

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:

Name	Position
Professor J. West	Non-Executive Chairman
J. E. Gowing	Managing Director
J. G. Parker	Non-Executive Director
S. J. Clancy	Non-Executive Director
I. Morgan	Company Secretary
J. E. Gowing (James)	Associate Director and Company Secretary
E. J. Gowing	Associate Director

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 29th day of September 2022 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 2022 \$'000	31 July 2021 \$'000
Revenue			
Interest income		132	186
Equities		894	437
Private equities		100	449
Investment properties	5	17,606	17,686
Development properties		-	1,816
Revenue from the sale of goods (Surf Hardware International)		55,507	50,578
Total revenue		74,239	71,152
Other income			
Gains / (losses) on disposal or revaluation of:			
Private equities		2,751	2,515
Investment properties	5	1,404	156
Freehold properties		-	946
Derivatives		-	587
Other income		3,732	1,869
Total other income		7,887	6,073
Total revenue and other income		82,126	77,225
Expenses			
Investment properties	5	7,020	7,364
Development properties		-	1,168
Finished goods, raw materials and other operating expenses (Surf Hardware International)		52,355	44,439
Administration		2,550	4,142
Borrowing costs		2,833	3,410
Depreciation		1,721	2,134
Employee benefits		1,322	487
Public company		461	458
Total expenses		68,262	63,602
Profit from continuing operations before income tax		13,864	13,623
Income tax expense	4	(2,944)	(3,241)
Profit from continuing operations		10,920	10,382
<i>Profit from continuing operations is attributable to:</i>			
Members of Gowing Bros. Limited		10,915	10,381
Non-controlling interests		5	1
Profit from continuing operations		10,920	10,382

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended	Notes	31 July 2022 \$'000	31 July 2021 \$'000
Profit from continuing operations		10,920	10,382
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Exchange rate differences on translating foreign operations, net of tax		72	(53)
Items that will not be reclassified to profit or loss:			
Changes in fair value of equity instruments held at fair value through other comprehensive income, net of tax		994	4,703
Total comprehensive income		11,986	15,032
<i>Total comprehensive income attributable to:</i>			
Members of Gowing Bros. Limited		11,981	15,031
Non-controlling interests		5	1
Total comprehensive income		11,986	15,032
Earnings per share			
Basic earnings per share	10	20.42c	19.35c
Diluted earnings per share	10	20.42c	19.35c

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 2022 \$'000	31 July 2021 \$'000
Current assets			
Cash and cash equivalents		13,713	30,813
Inventories		12,940	8,265
Trade and other receivables		6,814	6,562
Other		1,190	1,075
Total current assets		34,657	46,715
Non-current assets			
Trade and other receivables		-	63
Loans receivable		925	850
Equities		45,808	43,087
Private equities		4,646	8,003
Development properties		30,206	18,950
Investment properties	5	205,324	203,595
Property, plant and equipment		4,409	1,551
Right of use assets		1,713	1,747
Intangibles		3,758	3,916
Deferred tax assets		1,701	2,386
Other		3,049	1,616
Total non-current assets		301,539	285,764
Total assets		336,196	332,479
Current liabilities			
Trade and other payables		5,116	6,368
Borrowings		2,851	1,115
Leases		1,346	997
Current tax liabilities		2,010	4,740
Provisions		1,207	3,222
Total current liabilities		12,530	16,442
Non-current liabilities			
Trade and other payables		52	108
Borrowings		94,310	94,309
Leases		532	974
Provisions		321	333
Deferred tax liabilities		26,508	25,163
Total non-current liabilities		121,723	120,887
Total liabilities		134,253	137,329
Net assets		201,943	195,150
Equity			
Contributed equity	7	11,781	12,693
Reserves	9	100,309	99,151
Retained profits	6	89,849	83,307
Contributed equity and reserves attributable to members of Gowings Bros. Limited		201,939	195,151
Non-controlling interests		4	(1)
Total equity		201,943	195,150

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	Retained Profits \$'000	Non- Controlling Interests \$'000	Total \$'000
Balance at 31 July 2020	12,895	90,503	4,451	197	76,031	(2)	184,075
Total comprehensive income / (loss) for the year	-	-	4,703	(53)	10,381	1	15,032
Transfer of loss on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	-	-	941	-	(941)	-	-
Transfer of prior year revaluation increment to retained earnings on the sale of freehold properties	-	-	(1,591)	-	1,591	-	-
<i>Transactions with owners in their capacity as owners:</i>							
Dividends declared	-	-	-	-	(3,755)	-	(3,755)
Share buy-back	(202)	-	-	-	-	-	(202)
Balance at 31 July 2021	12,693	90,503	8,504	144	83,307	(1)	195,150
Total comprehensive income / (loss) for the year	-	-	994	72	10,915	5	11,986
Transfer of loss on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	-	-	92	-	(92)	-	-
<i>Transactions with owners in their capacity as owners:</i>							
Dividends declared	-	-	-	-	(4,281)	-	(4,281)
Share buy-back	(912)	-	-	-	-	-	(912)
Balance at 31 July 2022	11,781	90,503	9,590	216	89,849	4	201,943

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 2022 \$'000	31 July 2021 \$'000
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		81,636	76,849
Payments to suppliers and employees (inclusive of GST)		(76,417)	(63,674)
Dividends and distributions received		994	886
Interest received		95	168
Borrowing costs paid		(2,833)	(3,410)
Income taxes paid		(4,071)	(1,385)
Net cash (outflows) / inflows from operating activities		(596)	9,434
Cash flows from investing activities			
Payments for purchases of properties, plant and equipment		(3,368)	(601)
Payments for purchases of intangibles		(21)	(31)
Payments for purchases of development properties		(11,256)	(3,994)
Payments for purchases of investment properties		(1,054)	(1,507)
Payments for purchases of equity investments		(11,970)	(5,494)
Payments for loans made		(375)	(550)
Proceeds from repayment of loans made		-	2,400
Proceeds from sale of freehold properties		-	8,000
Proceeds from sale of equity investments		15,687	2,160
Proceeds from sale of development properties		-	1,816
Proceeds from sale of investment properties		400	-
Net cash (outflows) / inflows from investing activities		(11,957)	2,199
Cash flows from financing activities			
Payments for share buy-backs		(912)	(202)
Proceeds from borrowings		1,837	10,000
Repayment of borrowings		(100)	(786)
Repayment of lease liabilities		(1,091)	(946)
Payment for termination of derivative		-	(3,730)
Dividends paid		(4,281)	(3,755)
Net cash (outflows) / inflows from financing activities		(4,547)	581
Net (decrease) / increase in cash held		(17,100)	12,214
Cash and cash equivalents at the beginning of the financial year		30,813	18,599
Cash and cash equivalents at the end of the financial year		13,713	30,813

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 2022 \$'000	31 July 2021 \$'000
Segment revenue		
Cash and fixed interest – interest received	132	186
Equities – dividends and option income received	894	437
Private equities – distributions received	100	449
Investment properties – rent received	17,606	17,686
Development properties – realised gains on disposal	-	1,816
Surf Hardware International business – sale of goods	55,507	50,578
	74,239	71,152
Segment other income		
Private equities – realised and unrealised gains	2,751	2,515
Investment properties – realised and unrealised gains	1,404	156
Other	3,732	3,402
	7,887	6,073
Total segment revenue and other income	82,126	77,225

For the year ended	31 July 2022 \$'000	31 July 2021 \$'000
Segment result		
Cash and fixed interest	132	186
Equities	894	437
Private equities	2,851	2,964
Investment properties	9,318	7,293
Development properties	-	648
Surf Hardware International business	3,109	5,304
Other	(2,440)	(3,209)
Total segment result	13,864	13,623
Income tax expense	(2,944)	(3,241)
Net profit after tax	10,920	10,382

As at	31 July 2022 \$'000	31 July 2021 \$'000
Segment assets		
Cash and fixed interest	13,713	30,813
Equities	45,808	43,087
Private equities	4,646	8,003
Investment properties	205,324	203,595
Development properties	30,206	18,950
Surf Hardware International business	23,713	18,821
Unallocated assets	12,786	9,210
Total assets	336,196	332,479
Segment liabilities		
Investment properties	91,175	91,276
Surf Hardware International business	7,231	5,700
Unallocated liabilities	35,847	40,353
Total liabilities	134,253	137,329

2. SEGMENT INFORMATION (CONTINUED)

For the year ended	31 July 2022 \$'000	31 July 2021 \$'000
Payments for the acquisition of:		
- Investment properties	1,054	1,507
- Development properties	11,256	3,994
- Equities	11,970	5,494
Gains on disposal or revaluation of:		
- Investment properties	1,404	156
- Private equities	2,751	2,515
Unallocated:		
- Payments for the acquisition of property, plant and equipment	3,368	601
- Payments for the acquisition of intangibles	21	31

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 \$1.65 million (2021: \$1.81 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 2022 \$'000	31 July 2021 \$'000
Profit from continuing operations before income tax includes the following specific items:		
Gains		
Private equity investment distributions	100	449
Expenses		
Interest and other borrowing costs	2,833	3,410
Employee benefits	11,421	9,800
Cost of sales (Surf Hardware International)	34,078	29,087
Cost of sales (development properties)	-	1,168

4. INCOME TAX

For the year ended	31 July 2022 \$'000	31 July 2021 \$'000
Current tax	1,526	1,181
Deferred tax	1,511	2,553
(Over) / under provided in prior years	(93)	(493)
	2,944	3,241
Income tax attributable to:		
Profit from continuing operations	2,944	3,241
Aggregate income tax expense on profit	2,944	3,241
Reconciliation of income tax expense to prima facie tax on profit		
Profit from continuing operations before income tax expense	13,864	13,623
Tax at the Australian tax rate of 30% (2021: 30%)	4,160	4,087
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-assessable income / Non-deductible expenses	(791)	(30)
Franked dividends	(126)	(83)
Over provision in prior year	(93)	(493)
Deferred tax assets not recognised and effect of tax rates in foreign jurisdictions	(206)	(240)
Income tax expense	2,944	3,241
Amounts recognised directly in equity		
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	426	2,016

5. NON-CURRENT INVESTMENT PROPERTIES

As at	31 July 2022 \$'000	31 July 2021 \$'000
At fair value		
Balance at beginning of year	203,595	202,442
Additions	1,054	1,507
Disposal proceeds	(400)	-
Amortisation on incentives	(329)	(510)
Net gain from fair value adjustment	1,404	156
Balance at end of year	205,324	203,595
Amounts recognised in profit of loss for investment properties		
Rental revenue	17,606	17,686
Direct operating expenses from rental generating properties	(7,020)	(7,364)
Net gain on revaluation	1,404	156
	11,990	10,478

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

5. NON-CURRENT INVESTMENT PROPERTIES (CONTINUED)

	Valuation Method	Weighted average cap rate 2022	Weighted average cap rate 2021	31 July 2022 \$'000	31 July 2021 \$'000
Sub-regional and Neighbourhood shopping centres (Coffs Central, Port Central and Kempsey Central)	(a)	6.51%	6.51%	198,575	198,069
Other properties	(b)			6,749	5,526
				205,324	203,595

- (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 at 31 July 2022 were based on externally 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 2022 \$'000	31 July 2021 \$'000
Retained profits at the beginning of the financial year	83,307	76,031
Net profit attributable to members of Gowing Bros. Limited	10,915	10,381
Transfer of loss on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	(92)	(941)
Transfer of prior year revaluation increment to retained earnings on the sale of freehold properties	-	1,591
Dividends provided for or paid	(4,281)	(3,755)
	89,849	83,307

7. CONTRIBUTED EQUITY AND ISSUED SECURITIES

	Number of shares 31 July 2022	Number of shares 31 July 2021	31 July 2022 \$'000	31 July 2021 \$'000
Share capital				
Ordinary shares fully paid	53,311,125	53,624,983	11,781	12,693

Movements in ordinary share capital

Date	Details	Number of shares	Issue price per share	\$'000
31/07/2021	Balance	53,624,983		12,693
11/08/2021	Share buy back	(46,633)	\$2.75	(128)
24/09/2021	Share buy back	(36,787)	\$3.00	(110)
06/01/2022	Share buy back	(52,841)	\$3.17	(168)
14/02/2022	Share buy back	(9,825)	\$2.97	(29)
06/06/2022	Share buy back	(143,729)	\$2.85	(410)
07/06/2022	Share buy back	(24,043)	\$2.80	(67)
31/07/2022	Balance	53,311,125		11,781

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. The Dividend Reinvestment Plan has been suspended for the final dividend declared on 29 September 2022.

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

313,858 shares were bought back during the year (2021: 121,257).

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 2022:			
Final fully franked dividend	4.0 cents	2,141,662	29 October 2021
Interim fully franked dividend	4.0 cents	2,139,155	22 April 2022

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

Since the end of the year ended 31 July 2022, the directors declared the following dividend:

Final fully franked dividend	4.0 cents	2,132,445	28 October 2022
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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 2022 \$'000	31 July 2021 \$'000
Capital profits reserve¹		
Opening balance	90,503	90,503
Transfer from retained profits	-	-
Closing balance	90,503	90,503
Long term investment revaluation reserve²		
Opening balance	8,504	2,860
Changes in financial assets held at fair value through other comprehensive income		
- Changes in fair value of equities	1,420	6,719
- Deferred tax applicable to fair value adjustments	(426)	(2,016)
- Transfer of loss on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	92	941
Closing balance	9,590	8,504

9. RESERVES (CONTINUED)

As at	31 July 2022 \$'000	31 July 2021 \$'000
Asset revaluation reserve³		
Opening balance	-	1,591
Transfer of prior year revaluation increment to retained earnings on the sale of freehold properties	-	(1,591)
Closing balance	-	-
Foreign currency translation reserve⁴		
Opening balance	144	197
Exchange differences on translation of foreign operations	72	(53)
Closing balance	216	144
Total reserves	100,309	99,151

¹ The capital profits reserve is used to record pre-CGT profits.

² 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.

³ The asset revaluation reserve is used to record increments and decrements in the fair value of freehold properties recognised in other comprehensive income.

⁴ The foreign currency translation reserve records exchange rate differences arising on translation differences on foreign controlled subsidiaries.

10. EARNINGS PER SHARE

For the year ended	31 July 2022	31 July 2021
Basic earnings per share (cents)	20.42	19.35
Diluted earnings per share (cents)	20.42	19.35
Weighted average number of ordinary shares on issue (basic and diluted)	53,488,979	53,665,722
Net profit after tax	\$10,920,000	\$10,382,000

11. NET TANGIBLE ASSET BACKING

As at	31 July 2022	31 July 2021
NTA per ordinary security before tax on unrealised gains*	\$3.96	\$3.82
NTA per ordinary security after tax on unrealised gains	\$3.71	\$3.57

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 JOINT VENTURES

The Group has entered into a joint venture operation known as Regional Retail Properties in a small regional retail centre which has been sold, please see note 14 for further details. The Group has a 50% participating interest in this joint venture and is entitled to 50% of its output.

The Group's interests in the assets employed in the joint ventures are included in the consolidated statement of financial position, under the following classifications:

	31 July 2022 \$'000	31 July 2021 \$'000
Current assets		
Cash	33	41
Trade and other receivables	36	59
Total current assets	69	100
Non-current assets		
Investment properties	5,500	4,250
Total non-current assets	5,500	4,250
Current share of assets employed in joint venture	5,569	4,350
Current liabilities		
Trade and other payables	46	27
Borrowings	1,000	1,101
Total current liabilities	1,046	1,128
Current share of liabilities employed in joint venture	1,046	1,128
Net assets employed in joint venture	4,523	3,222

\$1 million of borrowings is secured against investment properties of Regional Retail Properties.

13. 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
		% 2022	% 2021
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	-
Coffs Central Sub-Trust	Australia	100	-
Port Central Pty Ltd	Australia	100	-
Port Central Sub-Trust	Australia	100	-
Kempsey Central Pty Ltd	Australia	100	-
Kempsey Central Sub-Trust	Australia	100	-

No other interests in subsidiaries or other entities (excluding joint ventures) were held by the Group in the 31 July 2022 financial year.

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

14. SUBSEQUENT EVENTS

The Group has sold its interest in the Joint Venture Regional Retail Property for \$5.5 million with \$1 million in proceeds being used to repay the borrowings secured against this property.

The Group's investment in Murray Darling Food Company will be realised after the business was sold of \$45 million our share should be above current holding value.

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.