



Enriching People's
Lives, since 1868

APPENDIX 4D | For the half-year ended 31 January 2024



G O W I N G B R O S

Investing together for a secure future

Established 1868

156 Years of Trading

Gowing Bros. Limited

ABN 68 000 010 471

Suite 303, 35-61 Harbour Drive

Coffs Harbour, NSW, 2450

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half-year ended 31 January 2024 with the previous corresponding period being the half-year ended 31 January 2023 unless otherwise stated. The results have been reviewed by the Company's auditors.

DIVIDENDS

Interim fully franked dividend per share	3.0 cents
The record date for the interim dividend	8 Apr 2024
The payment date of the interim dividend	22 Apr 2024

REVENUE

Total Revenue from Ordinary Activities	Up 12%	\$35.1 million
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EARNINGS

Operational Income before tax	Up 546%	\$2.63 million
Loss on private equities and investment properties		(\$0.04) million
Other loss		<u>(\$0.07) million</u>
Profit before tax		\$2.52 million
Income tax expense		<u>(\$0.12) million</u>
Profit after Tax attributable to members	Up 150%	<u>\$2.40 million</u>

NET ASSET PER SHARE

Net assets per share before tax on unrealised gains	Up 1.6%	\$3.92
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COMMENTS

- (1) Total Revenue increase on the prior year is largely due to the realisation of lot sales from Sawtell Commons.
- (2) Profit After Tax increased by 150% to \$2.40 million. For more detail refer the profit and loss on page 15 of the report.
- (3) Net assets per share before tax on unrealised gains on equities, investment properties and private equities is at \$3.92 during the half year 31 January 2024.
- (4) The board has elected to declare an interim 3 cents per share fully franked dividend.

Refer to the Executive Chairman's report for further details on the results and investments.

EXECUTIVE CHAIRMAN'S REPORT

THIRTEEN INTEREST RATE RISES, THINGS STILL LOOKING POSITIVE “Up North”.

Reviewing the results as we embark on our 156th year of trading, the key and overwhelming impact on the first half's results 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. 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.

The three significant positives for the half include: successfully negotiating the renewal of the lease with Coles at Gowings Kempsey Central, the takeover of our long term investment in DICE Therupedics by Eli Lilly, resulting in a capital gain of approximately \$5 million and finally the continuing sales of lots in stage 3 at Sawtell Commons. In other exciting news, we completed the upgrade of the Coffs Harbour solar panels on the rooftop car park pictured below.

On the ground, we have continued to see a rebound in foot traffic and trading in our Mid North Coast Shopping Centres, more than comparable to pre-pandemic levels. We have seen some quite strong leasing interest 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 attracting promising patronage. Our flagship store “Gowing's Pacific Traders”, on the ground floor of Coffs Harbour, showcases our ocean lifestyle brands, FCS, Alvey, and Gorilla Grip. Trade has been slower than we would have liked, however it is still early days.

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. Effectively Shopping Centres are being used as a hedge against inflation.



SUSTAINABILITY PROGRAMME

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

-Coffs Central rooftop solar.	<i>Completed.</i>
-Kempsey Central rooftop solar.	<i>Completed.</i>
-Coffs Central green waste composting system.	<i>Completed.</i>
-EV Charging Stations at Coffs and Port.	<i>Installed.</i>
-Community geothermal system at Sawtell Commons.	<i>Seeking local council approval.</i>



GOWINGS SURF HARDWARE INTERNATIONAL

Our wholly owned subsidiary GSHI had a disappointing half year. On a positive note, during the period GSHI relocated its head office from Mona Vale to join with Gowings in Coffs Harbour. There will be an ongoing net saving in fixed costs of approximately \$2m per annum, as a result of the move.

SAWTELL COMMONS

Stage 3 at Sawtell Commons is now complete, there have been 38 blocks of land sold and contracts exchanged. The market in Coffs Harbour for residential land has slowed down somewhat since last year end. Construction has commenced on The Coffs Harbour Bypass, which is a positive catalyst for economic activity and skilled employment in the area. The Bypass has a scheduled completion date of 2027.

DIVIDENDS

The Group has generated strong investment cash-flows and will be declaring an interim 3c fully franked dividend. The dividend reinvestment plan has been suspended.

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 continues to feature uncertainty. We are fortunately in a relatively good space "Up North", on the Mid North Coast of NSW, which has and continues to be a net beneficiary of the times. Sadly global geopolitics have deteriorated since we last reported.

We continue to live in uncertain times.

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

PROFIT AND LOSS STATEMENT

For the half-year ended	31 Jan 2024 \$'000	31 Jan 2023 \$'000
Operational Net Income		
Interest income	389	161
Investment properties	2,130	2,608
Equities	565	1,172
Managed private equities	-	1
Development properties	3,887	-
Surf Hardware International	(1,582)	(1,501)
Total Net Income from Ordinary Activities	5,389	2,441
Expenses		
Administration, public company and other	(3,723)	(3,031)
Operational Profit / (Loss)	1,666	(590)
Gains on sale or revaluation		
Investment properties – realised (losses) / gains	-	(15)
Derivatives	18	-
Managed private equities – realised and unrealised gains	(35)	467
Other		
Other income	863	561
Profit Before Tax	2,512	423
Income tax (expense) / benefit	(115)	534
Profit After Tax	2,397	957

KEY METRICS	31 Jan 2024 (6 months)	31 July 2023 (12 months)	31 July 2022 (12 months)	31 July 2021 (12 months)	31 July 2020 (12 months)
Net Assets*	\$208.1m	\$205.7m	\$215.5m	\$208.6m	\$195.5m
Net Assets per Share					
- Before Tax on unrealised gains*	\$3.92	\$3.86	\$4.03	\$3.89	\$3.64
Profit (loss) After Tax	\$2.4m	(\$5.3)m	\$10.9m	\$10.4m	\$4.7m
Earnings per Share	4.50c	(9.91)c	20.42c	19.35c	8.82c
Dividends per Share	3.0c	7.0c	8.0c	7.0c	10.0c
Total Shareholder Return	2.5%	(2.5%)	5.7%	8.8%	(2.3)%

* Before provision for tax on unrealised gains on equities, private equities and investment properties

GOWINGS AT A GLANCE (At Directors' Valuation)

	31 Jan 2024 \$'000	31 Jul 2023 \$'000
Strategic Investments		
Cobram Estates Olives	16,407	12,783
Surf Hardware International (at cost)	16,000	16,000
Carlton Investments	6,362	6,129
Power Pollen Accelerated Ag Technologies	1,728	1,541
Three Valley Meats	950	950
SYMBYX	800	600
EFTsure	738	738
Perpetual Limited	520	-
Eratos	500	500
Tasmanian Oyster Company	480	480
BHP Group Limited	473	460
Australian Foundation Investments	436	418
Other Investments - Australia	10,519	10,025
Other Investments - International ¹	2,884	9,272
Total	58,797	59,896
Private Equity Funds		
Our Innovation Fund I	2,826	2,775
OurCrowd Australia	862	916
Our Innovation Fund II	605	569
Skalata Fund II	287	289
Other Private Equity Funds	868	682
Total	5,448	5,231
Pacific Coast Shopping Centre Portfolio		
Sub-regional and Neighbourhood shopping centres	189,035	187,885
Borrowings	(95,864)	(94,310)
Total	93,171	93,575
Other Direct Properties		
Sawtell Commons - Residential Subdivision ²	14,159	17,020
Solitary 30 – Coffs Harbour Development Land	3,867	3,865
Other Properties	11,850	9,757
Total	29,876	30,642
Cash and Other		
Cash (AUD)	10,056	10,355
Cash (USD)	10,589	4,620
Tax Liabilities	(13,086)	(11,218)
Surf Hardware International Consolidation Impact	(6,864)	(4,804)
Other Assets & Liabilities	20,124	17,424
Total	20,819	16,377
Net Assets before tax on unrealised gains on equities, private equities and investment properties	208,111	205,721
Provision for tax on unrealised gains on equities, private equities and investment properties	(10,284)	(10,369)
Net Assets after tax on unrealised gains on equities, private equities and investment properties	197,827	195,352

¹During the period a \$6.2 million capital gain was realised when Eli Lily purchased DICE Therapeutics.

²During the period \$3.3 million in capital gains were realised through sales at Sawtell Commons of completed lots.

GOWINGS PACIFIC COAST SHOPPING CENTRE PORTFOLIO

As a portfolio, in an environment where interest rates have risen, inflation is above the target range and discretionary income is reduced, overall sales for our shopping centre retailers within the portfolio have remained materially in line with the prior period.

Foot traffic across the portfolio is up on prior year, foot traffic is our key metric and we are always looking for more opportunities to get more people into our centres.

Gowings Coffs Central



We continue to focus on enhancing upon the high-quality visual impact of our innovative and experiential offer at Coffs Central through a number of new and exciting retailers which have opened their doors at Coffs Central during the period including Platypus Shoes, Alvey Reels Australia, Coffs Barber Shop and Gowings Pacific Trader. Gowings Pacific Trader features our ocean brands FCS, Softtech, Hydro, Gorilla Grip and Kanulock.



Gowings G-Sphere (modern and innovative co working space) continues to build occupancy levels with a local growing demand for high quality and flexible office work space and we are confident that this business model will continue to grow.

A number of prominent retailers in the fresh food category have renewed during the period and we have a number of renewals currently in the pipeline and are confident of renewal on favourable terms.

Gowings Port Central



Port Central continues to trade relatively strongly with a double digit increase in centre sales over the past year mainly attributable to the strong trading results of the new retailers including Platypus and Sushia as well as the recovery of the travel sector.

We have successfully negotiated the renewal of the Just Group including Just Jeans, Portmans, Dotti and Jay Jays within the centre to further underpin our strong retail fashion offer and have agreed terms on a number of other important renewals which are currently being finalised.

Gowings Kempsey Central



We are very pleased to report that we have secured the renewal of our major supermarket retailer Coles as well as the Countries Universities Centre which will further strengthen and support Kempsey Central for the future.

OTHER PROPERTIES AND PROPERTIES UNDER DEVELOPMENT

Sawtell Commons - At time of writing 38 of Sawtell Commons Stage 3 lots have been sold and we are in the process of getting Stage 4, consisting of 27 lots, underway and if they sell well then continue with the following stages of the development.

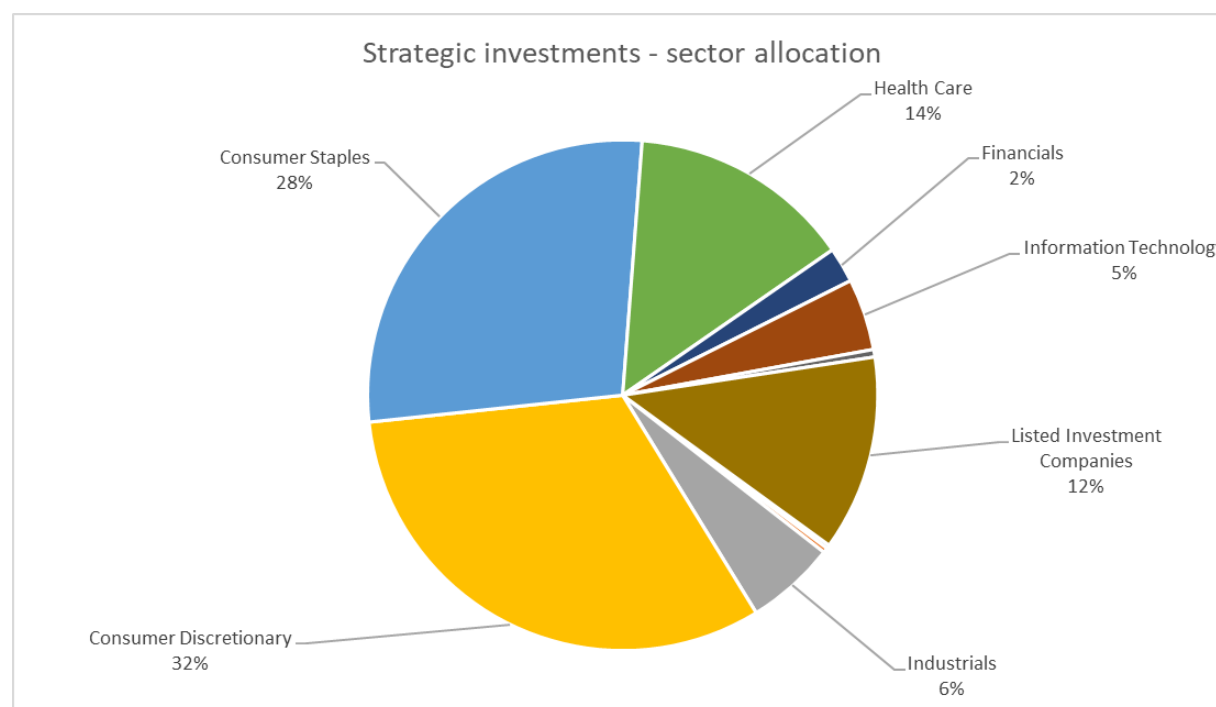
We have appointed Sawtell Real Estate Co as an exclusive agent to sell the current lots and have embarked on a marketing campaign and concentrated sales strategy. Demand for housing remains buoyant in Northern NSW.



Solitary 30 - The Jetty development site located at 357 Harbour Drive paves the way for an exciting new mixed-use development for Gowings. The land value has increased substantially over our period of ownership. At this point in time, we are waiting until the NSW State Government's Jetty Foreshore Masterplan is published to see if our designs need to be adjusted to fit in with the overall plan for the area.

STRATEGIC INVESTMENTS

The strategic investment portfolio was valued at \$58.8 million as at 31 January 2024.



LISTED INVESTMENTS

Australian Shares



Cobram Estates Olives

Gowings has been invested in Cobram from its early days before it was listed on the securities exchange. They grow olives and produce high quality olive oil for the Australian and international markets. We have seen the business grow from a closely held unlisted Company into an ASX listed Company with a market capitalisation approaching \$800 million. We are very pleased about the underlying returns and confident about the future of Cobram Estate Olives.

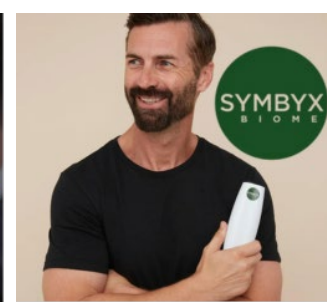
Carlton Investments Limited

Similar in nature to Australian Foundation Investments (AFI), Carlton Investments owns a range of Australian Shares with the aim of diversification while providing consistent returns and dividends. The Company primarily purchases and retains carefully selected listed ASX shares that provide attractive levels of sustainable income and capital growth.

Perpetual Limited

Perpetual is a diversified financial services company with an aim of providing enduring prosperity for its investors. Investing in Perpetual gives access to a diversified portfolio as well as their asset management, private wealth, and trustee services business. Perpetual has a substantial amount of assets under management across these business units.

Unlisted Investments



PowerPollen

PowerPollen is an agricultural technology company who have created a system where pollen from corn, rice and wheat can be preserved, stored and then applied to crops when desired. This gives farmers more control over the pollination process and results in higher yields. A large capital raising round has just concluded with a new lead investor which has been closed in a difficult market.

EFTSure Pty Ltd

EFTSure provide a business to business technology that verifies payment details mitigating the risk of payment error, fraud, and cyber-crime. The business is now established in Australia with buy-in from the local market, moving forward they will look to expand overseas. 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. We have made a significant return on investment already from EFTSure and are pleased to be part of the journey going forward.

Surf Lakes

Surf Lakes is exactly what it sounds like, a lake you can surf in. The company has built a prototype in Yeppoon, Queensland. Recently they have made to decision to be based in the United States which makes strategic sense as it is the largest surf market in the world. Currently capital raising is underway to commercialise the Yeppoon site for operation and multiple contracts internationally are being pursued to generate royalty income.

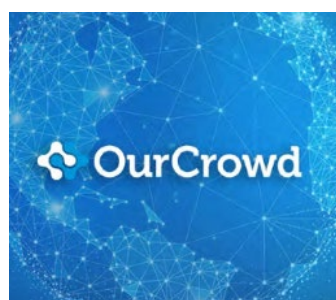
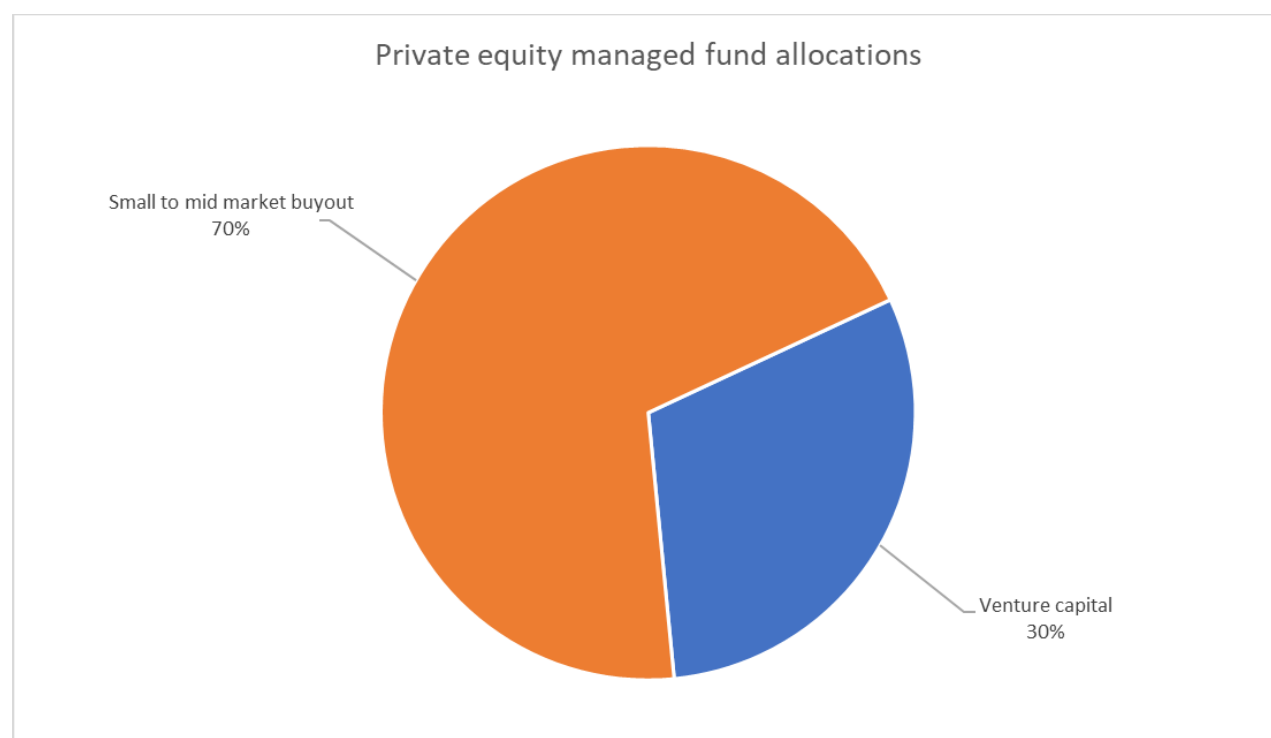
SYMBYX

SYMBYX holds the patents on medical-grade lasers available for at-home use. They have patented technology behind the products. These devices are helping to develop light therapies to treat and manage previously intractable, chronic diseases and painful inflammation related conditions. Their key focus thus far is on the treatment of Parkinson's symptoms. In the current period we invested further in SYMBYX, who successfully closed a funding round in difficult market conditions.

Tasmanian Oyster Company

As the name would suggest the Tasmanian Oyster Company farms oysters in Tasmania. They have seven different operations across the state each having its own distinct influence on the flavour of the oysters. With relatively clean waters Tasmanian oysters are among the highest quality in Australia. 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 in both the domestic and international markets with strong interest from countries such as Japan, Singapore and Vietnam.

VENTURE CAPITAL FUNDS



Our Innovation Fund I, II & III

Our Innovation Fund is an Australian based start-up venture capital fund which is focussed on early-stage technology founders. The returns from Our Innovation Fund I have been roughly three times the amount of the fund's total capital calls thanks to some significant exits and underlying valuation increases. Included in the portfolio unrealised are Companies such as Go1, Enboarder, Assingar, Clear Dynamics and Pagaleve.

OurCrowd

OurCrowd is a portfolio of small startup holdings ranging from venture capital, small to mid-market buy out opportunities. During the period OurCrowd had a small number of realisations and some portfolio investments have been written off, this was due to underlying difficult market conditions. The portfolio currently sits below investment value. This is due to a number of portfolio companies being written down or realised at a loss. The remaining portfolio of investment companies is being reviewed and assessed for any further indications of impairment in the current market conditions.

GOWINGS SURF HARDWARE INTERNATIONAL

As we approach the northern hemisphere summer, we remain vigilant, but are optimistic that the worst of the global decline in surf retail and retail in general has passed as CPI comes down and cost of living pressures ease. Together with technology solutions, we are systematically reviewing the business to ensure that we are engaging in best practices as well as reducing fixed costs to a level that is appropriate for the current economic activity.

The transition to Coffs Harbour has resulted in a substantial change to the Gowings Surf Hardware leadership team and Head office personnel.

The move has injected new and refreshed expertise across all facets of the team bringing together a wide range of diverse backgrounds. As part of the move, structural change to the organisation has also been applied, streamlining roles and using new technology to enhance operating effectiveness. Head Office headcount (including contractors) has reduced from 34 to 26 FTE positions.



Key accomplishments for the period:

- Opening of the Gowings Pacific Trader flagship store in Gowings Coffs Central shopping centre. Importantly, the store stocks the entire Gowings Surf Hardware product range along with other key supporting outdoor and adventure products such as Okanui, Mctavish, DHD Surfboards, Deus Ex Machina, Columbia, Critical Slide Society and Eagle Creek luggage.
- Opening of the Alvey Flagship store in Gowings Coffs Central, allowing Alvey to achieve complete vertical integration.
- Opening of the Product Development Hub – Nautilus Laboratory. This is also located in Gowings Coffs Central and allows the Gowings Surf Hardware Product Development team and Laboratory to be located in close proximity to the Head Office.
- Successful implementation of ERP system NetSuite. Aligning with recent Enterprise Resource Planning (ERP) system rollout to Netsuite by Gowings, Gowings Surf Hardware has been progressively transitioning to this ERP over the last 12 months. To date, the majority of Gowings Surf Hardware has successfully transitioned and it is anticipated all areas of Gowings Surf Hardware will complete the transition by December 2024. The ERP represents a significant opportunity to shift to global best business practices and processes, realising substantial efficiency gains and significantly strengthening the supporting internal control frameworks. It also allows significant flexibility in integrating with other key supporting systems – such as Payroll, Warehouse management and our websites.

Gowings Surf Hardware continues to support the Gowings Whale Trust with 1% of our sales being donated every year.

DIRECTORS' REPORT

DIRECTORS

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

Mr J. E. Gowing	(Executive Chairman)
Mr J. E. Gowing	(Director)
Mr J. Davis	(Non-executive Director)
Mr J. G. Parker	(Non-executive Director)
Mr S. J. Clancy	(Non-executive 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 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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration given to the Directors by the lead auditor for the review undertaken by William Buck Accountants and Advisors is included in page 32.

Dated this 28th day of March 2024 in accordance with a resolution of the directors.



J. E. Gowing

Executive Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE HALF-YEAR ENDED 31 JANUARY 2024

	Notes	31 Jan 2024	31 Jan 2023
		\$'000	\$'000
Revenue			
Interest income		389	161
Equities		565	1,172
Private equities		-	1
Investment properties		9,450	9,280
Development properties		6,830	-
Sale of goods (Surf Hardware International)		17,866	20,779
Total revenue		35,100	31,393
Other Income			
Gains / (losses) on disposal or revaluation of:			
- Private equities		(35)	467
- Investment properties		-	(15)
Derivatives		18	-
Other income		127	1,002
Total revenue and other income		35,210	32,847
Expenses			
Investment properties		4,418	4,152
Development properties		2,943	-
Finished goods, raw materials and other operating costs (Surf Hardware International)		17,924	21,365
Administration		2,000	1,599
Borrowing costs		2,964	2,802
Depreciation and amortisation		968	1,315
Employee benefits		1,121	855
Public company		360	336
Total expenses		32,698	32,424
Profit from operations before income tax expense		2,512	423
Income tax (expense) / benefit	3	(115)	534
Profit from operations		2,397	957
<i>Profit from continuing operations is attributable to:</i>			
Members of Gowings Bros. Limited		2,396	959
Non-controlling interests		1	(2)
Profit from operations		2,397	957

The consolidated statement of profit or loss should be read in conjunction with the notes as set out on pages 20 to 30.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 JANUARY 2024

	Notes	31 Jan 2024	31 Jan 2023
		\$'000	\$'000
Profit from operations		2,397	957
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations, net of tax		(297)	114
Changes in fair value of cash flow hedges, net of tax		(199)	265
<i>Items that will not be reclassified to profit or loss:</i>			
Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax		2,728	667
Total Comprehensive Income		4,629	2,003
Total comprehensive income / (loss) attributable to:			
Members of Gowing Bros. Limited		4,628	2,005
Non-controlling interests		1	(2)
Total Comprehensive Income		4,629	2,003
Basic and diluted earnings per share	8	4.50c	1.80c

The consolidated statement of comprehensive income should be read in conjunction with the notes as set out on pages 20 to 30.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JANUARY 2024

	Note	31 Jan 2024	31 Jul 2023
		\$'000	\$'000
Current assets			
Cash and cash equivalents		22,379	17,394
Inventories		11,654	12,571
Trade and other receivables		6,659	6,834
Loans receivable		456	137
Development properties		3,420	6,332
Tax receivable		81	854
Other		3,533	1,334
Total current assets		48,182	45,456
Non-current assets			
Loans receivable		363	363
Equities		42,434	43,533
Private equities		5,448	5,231
Development properties		25,340	23,195
Investment properties	4	190,152	189,001
Property, plant and equipment		5,649	5,294
Intangibles		3,760	3,710
Right of use assets		1,249	1,333
Derivatives		426	898
Deferred tax assets		1,549	1,471
Other		3,027	2,795
Total non-current assets		279,397	276,824
Total assets		327,579	322,280
Current liabilities			
Trade and other payables		6,535	5,195
Borrowings	5	-	963
Lease liabilities		621	868
Provisions		766	812
Total current liabilities		7,922	7,838
Non-current liabilities			
Trade and other payables		-	10
Borrowings	5	95,865	94,310
Lease liabilities		684	559
Provisions		283	301
Deferred tax liabilities		24,998	23,910
Total non-current liabilities		121,830	119,090
Total liabilities		129,752	126,928
Net assets		197,827	195,352
Equity			
Contributed equity		11,224	11,781
Reserves	6	101,639	103,776
Retained profits	7	84,958	79,790
Contributed equity & reserves attributable to members of Gowing Bros. Ltd		197,821	195,347
Non-controlling interests		6	5
Total equity		197,827	195,352

The consolidated statement of financial position should be read in conjunction with the notes as set out on pages 20 to 30.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 JANUARY 2024

	Contributed Equity	Capital Profits Reserve - Pre CGT Profits	Revaluation Reserves	Foreign Currency Translation Reserve	Hedging Reserve Cash flow hedges	Retained Profits	Non- Controlling Interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 August 2022	11,781	90,503	9,590	216	-	89,849	4	201,943
Total comprehensive income for the half-year	-	-	667	114	265	959	(2)	2,003
Transfer of gains on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	-	-	(1,107)	-	-	1,107	-	-
Transactions with owners in their capacity as owners:								
- Dividends paid	-	-	-	-	-	(2,132)	-	(2,132)
Balance at 31 Jan 2023	11,781	90,503	9,150	330	265	89,783	2	201,814
Balance at 1 August 2023	11,781	90,503	11,886	704	683	79,790	5	195,352
Total comprehensive income for the half-year	-	-	2,728	(297)	(199)	2,396	1	4,629
Transfer of gains on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	-	-	(4,369)	-	-	4,369	-	-
Transactions with owners in their capacity as owners:								
- Share buy-back	(557)	-	-	-	-	-	-	(557)
- Dividends paid	-	-	-	-	-	(1,597)	-	(1,597)
Balance at 31 Jan 2024	11,224	90,503	10,245	407	484	84,958	6	197,827

The consolidated statement of changes in equity should be read in conjunction with the notes as set out on pages 20 to 30.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 JANUARY 2024

	31 Jan 2024	31 Jan 2023
	\$'000	\$'000
Cash Flows from Operating Activities		
Receipts in the course of operations (inclusive of GST)	30,250	33,829
Payments to suppliers and employees (inclusive of GST)	(28,292)	(33,185)
Dividends and distributions received	565	1,173
Interest received	408	161
Borrowing costs paid	(2,829)	(2,710)
Income tax paid	(585)	(318)
Net Cash outflow from Operating Activities	(483)	(1,050)
Cash Flows from Investing Activities		
Payments for purchases of property, plant and equipment	(764)	(696)
Payments for purchases of intangibles	(54)	(2)
Payments for purchases of equity investments	(1,578)	(2,561)
Payments for purchase of private equity investments	(252)	(294)
Payments for loans made	(320)	(296)
Payments for purchases of investment properties	(1,338)	(1,386)
Payments for purchases of development properties	(2,145)	(3,461)
Proceeds from loans repayments	-	100
Proceeds from sale of equity investments	7,310	4,976
Proceeds from sale of investment properties	-	5,500
Proceeds from sale of development properties	6,799	-
Net Cash inflow from Investing Activities	7,658	1,880
Cash Flows from Financing Activities		
Payment for share buy backs	(557)	-
Repayment of borrowings	(963)	(1,000)
Proceeds from borrowings	1,555	92
Repayment of lease liability	(627)	(929)
Dividends paid	(1,598)	(2,132)
Net Cash outflow from Financing Activities	(2,190)	(3,969)
Net increase / (decrease) in cash and cash equivalents	4,985	(3,139)
Cash and cash equivalents at the beginning of the half-year	17,394	13,713
Cash and cash equivalents at the end of the half-year	22,379	10,574

The consolidated statement of cash flows should be read in conjunction with the notes as set out on pages 20 to 30.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

Gowings Bros. Limited ("the Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The interim financial report is for the Company and its controlled entities (referred herein as "the Group").

The interim financial statements are a general purpose financial report prepared in accordance with Accounting Standard AASB 134: Interim Financial Reporting, IAS 34: Interim Financial Reporting and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Group as at and for the year ended 31 July 2023 together with any public announcements made during the half-year.

The interim financial report is presented in Australian dollars and is prepared on the historical cost basis, as modified by the revaluation of equities (financial instruments at fair value through comprehensive income), private equities (financial assets at fair value through profit or loss) and investment properties (fair value).

The preparation of an interim financial report requires conformity with Australian Accounting Standards in the use of certain critical accounting estimates. It also requires management to exercise its 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 carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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. If the revision affects the current and future periods, then the revision is made over current and future periods accordingly.

Comparative information has been reclassified where appropriate to enhance comparability.

The accounting policies applied in these interim financial statements are the same as those applied in the Group's financial statements as at and for the year ended 31 July 2023.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of new or amending Accounting Standards and Interpretations did not result in any adjustments to the amounts recognised or disclosures in the interim financial report.

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2. SEGMENT INFORMATION

Business segments

The Group comprises the following business segments, based on the Group's management reporting system:

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

For the period ended	31 Jan 2024	31 Jan 2023
	\$'000	\$'000
Segment revenue		
Cash and fixed interest – interest received	389	161
Equities – dividends and options income received	565	1,172
Private equities – distributions received	-	1
Investment properties – rent received	9,450	9,280
Development properties – realised gains on sales	6,830	-
Surf Hardware International business – sale of goods	17,866	20,779
Total segment revenue	35,100	31,393
Segment other income		
Private equities – realised and unrealised (loss) / gains in fair value	(35)	467
Investment properties – realised and unrealised loss in fair value	-	(15)
Other gains	145	1,002
Total other income	110	1,454
Total segment revenue and other income	35,210	32,847
Segment result		
Cash and fixed interest	389	161
Equities	565	1,172
Private equities	(35)	468
Investment properties	2,130	2,594
Development properties	3,887	-
Surf Hardware International business	(1,582)	(1,501)
Other	(2,842)	(2,471)
Total segment result	2,512	423
Income tax (expense) / benefit	(115)	534
Net profit after tax	2,397	957

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2. SEGMENT INFORMATION (CONTINUED)

Inter-segment revenue

There were no inter-segment revenues during the period.

Revenue from external customers by geographical region

The Group only derived revenue during the period from customers in the Investment Properties and Surf Hardware International business segments.

For the period ended	31 Jan 2024	31 Jan 2023
	\$'000	\$'000
Australia	22,366	17,082
United States of America	5,274	5,958
Japan	2,276	3,011
Europe	3,278	4,008
Total revenue from external customers	33,194	30,059

As at	31 Jan 2024	31 Jul 2023
	\$'000	\$'000
Segment assets		
Cash and fixed interest	22,379	17,394
Equities	42,434	43,533
Private equities	5,448	5,231
Investment properties	190,152	189,001
Development properties	28,852	23,195
Surf Hardware International business	21,878	21,045
Unallocated assets	16,436	22,881
Total assets	327,579	322,280

Segment liabilities		
Investment properties	95,865	90,175
Surf Hardware International business	14,466	5,043
Unallocated liabilities	19,421	31,710
Total liabilities	129,752	126,928

Non-current assets by geographical region		
Australia	272,908	264,990
United States of America	5,350	9,886
Japan	611	770
Europe	528	1,178
Total non-current assets	279,397	276,824

NOTES TO THE INTERIM FINANCIAL STATEMENTS

3. INCOME TAX (BENEFIT) / EXPENSE

	31 Jan 2024	31 Jan 2023
	\$'000	\$'000
Prima facie tax expense on the net profit at 30% (2023: 30%)	754	127
Tax effect of:		
Under provision in prior year	127	423
Deferred tax assets not recognised and effect of tax rates in other jurisdictions	427	(267)
Non-assessable income / non-deductible expenses	(1,005)	(582)
Franked dividends	(188)	(235)
Income tax expense / (benefit)	115	(534)

4. NON-CURRENT INVESTMENT PROPERTIES

	31 Jan 2024	31 Jul 2023
	\$'000	\$'000
Land and buildings – at fair value		
At fair value		
Balance at beginning of period	189,001	205,324
Additions	1,338	3,120
Disposal proceeds	-	(5,696)
Net loss on disposal	-	(15)
Amortisation on incentives	(187)	(461)
Net gain from fair value adjustment	-	(13,271)
Balance at end of period	190,152	189,001

	31 Jan 2024	31 Jan 2023
	\$'000	\$'000
Amounts recognised in profit or loss for investment purposes		
Rental revenue	9,450	9,280
Direct operating expenses from rental generating properties	(4,424)	(4,152)
Direct finance expenses from rental generating properties	(2,895)	(2,519)
Realised losses on investment properties	-	(15)
Total	2,131	2,594

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

4. NON-CURRENT INVESTMENT PROPERTIES (CONTINUED)

	Valuation Method	Weighted average cap Rate	31 Jan 2024	31 Jul 2023
			\$'000	\$'000
Sub-regional and neighbourhood shopping centres (Coffs Central, Port Central and Kempsey Central)	(a)	6.51%	188,717	187,885
Other Properties	(b)		1,435	1,116
Total			190,152	189,001

- (a) Fair value is based on capitalisation rates, which reflect vacancy rates, tenant profile, lease expiry, developing potential and the underlying physical condition of the centre. The higher the capitalisation rate, the lower the fair value.

Capitalisation rates used and the fair value adopted for each property at 31 January 2024 were based on external valuations adjusted for any changes in assumptions, estimates or source data with reference to the properties current and forecasted performance, vacancy levels, tenancy profile and recent market data.

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

Sensitivity analysis of sub-regional and neighbourhood shopping centre investment properties held at fair value

At 31 January 2024, a reduction of 0.5% in the capitalisation rate applied to each property would result in an additional gain of \$14.819 million in the consolidated statement of profit or loss and consolidated statement of other comprehensive income. Similarly, an increase of 0.5% in the capitalisation rate of each property would result in an additional loss of \$12.714 million in the consolidated statement of profit or loss and consolidated statement of other comprehensive income.

5. BORROWINGS

	31 Jan 2024	31 Jul 2023
	\$'000	\$'000
CURRENT		
Commercial advance facility – secured	-	963
	-	963
NON - CURRENT		
Bills Payable – secured*	95,865	94,310

- * As at 31 January 2024, the Group's secured bills facility had a total facility limit of \$95.865 million which is fully drawn at the end of the half-year. As disclosed on the ASX, the Group has refinanced the secured bills with St George.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

6. RESERVES

	31 Jan 2024	31 Jul 2023
	\$'000	\$'000
Capital profits reserve – pre CGT profits	90,503	90,503
Foreign currency translation reserve	407	704
Long term investment revaluation reserve - equities	10,245	11,886
Hedging reserve	484	683
Total Reserves	101,639	103,776

7. RETAINED PROFITS

	31 Jan 2024	31 Jul 2023
	\$'000	\$'000
Retained profits at the beginning of the financial period	79,790	89,849
Net profit (loss) attributable to members of Gowing Bros. Limited	2,396	(5,286)
Transfer of gains/(losses) on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	4,369	(1,041)
Dividends provided for or paid	(1,597)	(3,732)
Retained Profits at end of the financial period	84,958	79,790

8. EARNINGS PER SHARE (EPS)

	31 Jan 2024	31 Jan 2023
	\$'000	\$'000
Earnings reconciliation:		
Basic and diluted earnings (Net profit) – Members of Gowing Bros. Limited	2,396	959
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share.	53,262,472	53,311,125
Basic and diluted earnings per share	4.50c	1.80c

Total No.

At balance date there were no options on issue.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

9. NET TANGIBLE ASSET BACKING

	31 Jan 2024	31 Jul 2023
NTA per ordinary share after allowing for tax on unrealised capital gains*	\$3.73	\$3.66
NTA per ordinary share before allowing for tax on unrealised capital gains*	\$3.85	\$3.79
* Unrealised capital gains comprise of unrealised capital gains on equities, private equities and investment properties		

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

The Company meets the definition of a Listed Investment Company ("LIC") for taxation purposes. Where a LIC makes a capital gain on the sale of investments held for more than one year and pays tax on this capital gain, the LIC can attach to their dividend a LIC capital gains amount, which some shareholders are able to use to claim a tax deduction. The amount that shareholders can claim as a tax deduction depends on their individual situation.

NTA per ordinary share does not include any adjustment for any LIC capital gains amount that may be attached to the Company's dividends at the end of the half-year or in future periods.

10. FAIR VALUE

(a) Fair value Hierarchy

The Group measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other quoted prices included within level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: unobservable inputs for the assets or liabilities.

The following tables present the Group's assets measured and recognised on a recurring basis at fair value at 31 January 2024 and 31 July 2023. The Group does not have any liabilities measured at fair value at either reporting date.

31 January 2024	Level 1	Level 2	Level 3	Total
Assets designated at fair value through other comprehensive income				
Investments – Australian equities	30,484	-	7,338	37,822
Investments – global equities	2,884	-	1,728	4,612
Derivatives	-	426	-	426
Assets designated at fair value through profit or loss				
Investments – private equities	-	-	5,448	5,448
Investments – properties	-	-	190,152	190,152
Total assets at fair value	33,368	426	204,666	238,460

NOTES TO THE INTERIM FINANCIAL STATEMENTS

10. FAIR VALUE (CONTINUED)

31 July 2023	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Assets designated at fair value through other comprehensive income				
Investments – Australian equities	25,984	-	6,737	32,721
Investments – global equities	9,272	-	1,540	10,812
Derivatives	-	898	-	898
Assets designated at fair value through profit or loss				
Investments – private equities	-	-	5,231	5,231
Investments – investment properties	-	-	189,001	189,001
Total assets at fair value	35,256	898	202,509	238,663

The Group has no assets or liabilities measured on a non-recurring basis at fair value in the current reporting period.

(b) Fair values of financial instruments not recognised at fair value

The Group has a number of financial instruments which are not measured at fair value at 31 January 2024. The carrying amounts of cash and cash equivalents, current trade and other receivables, current trade and other payables, current borrowings and current lease liabilities are assumed to approximate their fair value due to their short-term nature. The carrying amounts of non-current trade and other payables, borrowings and lease liabilities approximate their fair value as the impact of discounting is not significant.

(c) Valuation techniques used to determine fair values

Specific valuation techniques used to determine fair value include:

- The fair value of listed equities is based on quoted market prices at the reporting date.
- The fair value of directly held unlisted equity investments is determined by management valuations in accordance with the AVCAL valuation guidelines. A variety of methods are used including reference to recent shares issued and net assets of underlying investments.
- The fair value of sub-regional and neighbourhood shopping centre investment properties is determined by management with reference to the latest independent valuations prepared for each shopping centre updated for changes in operating income and capitalisation rates which reflect vacancy rates, tenant profile, lease expiry, developing potential and the underlying physical condition of the property. For other investment properties, fair value is based on current market prices in an active market for properties of similar nature or recent prices in less active markets (refer to Note 4).
- Investments in private equities primarily consist of investments in managed private equity funds, each of which consists of a number of investments in individual companies, none of which are material. Fair value of managed private equity investments has been determined using fund manager valuations, which are prepared in accordance with AVCAL Guidelines. Directors have reviewed those valuations.
- Derivatives consist of interest rate swaps. The fair value of interest rate swaps is determined with reference to the present value of the estimated future cash flows based on observable yield curves.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

10. FAIR VALUE (CONTINUED)

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31 January 2024:

	Unlisted Equities	Global Equities	Private Equities	Investment Properties	31 Jan 2024
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance 1 August 2023	6,737	1,540	5,231	189,001	202,509
Total loss recognised in profit and loss - unrealised	-	-	(13)	-	(13)
Total gains recognised in other comprehensive income	-	188	-	-	188
Additions including purchases, transfers, tenant incentives, and straight-line rental income net of amortisation and depreciation	601	-	230	1,151	1,982
Closing balance 31 January 2024	7,338	1,728	5,448	190,152	204,666

Unrealised gains on private equities and investment properties are presented net of realised gains as other income in the consolidated statement of profit or loss.

Total gains on unlisted and global equities are presented in the changes in fair value of equity instruments at fair value through other comprehensive income, net of tax line item in the consolidated statement of comprehensive income.

(i) Transfers between fair value hierarchy levels and changes in valuation techniques used to determine fair value

There were no transfers between the levels of the fair value hierarchy during the period ended 31 January 2024. Transfers between the levels of the fair value hierarchy are recognised at the beginning of the reporting period. There were also no changes made to any of the valuation techniques used due to determine fair value during the period.

(ii) Significant unobservable inputs used in level 3 fair value measurements

Significant unobservable inputs used in level 3 fair value measurements relate to sub-regional and neighbourhood shopping centre capitalisation rates. Refer to Note 4 for further disclosures pertaining to these inputs.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

11. DIVIDENDS

	Cents per Share	Total	Date
The following dividends were paid by the Company:		\$'000	
Final dividend 31 July 2023	3.0c	(1,599)	27 Oct 2023
Since the end of the period, the directors resolved to pay the following dividend			
Interim dividend 31 January 2024	3.0c	(1,591)	22 April 2023

Dividends paid or resolved to be paid during the period were fully franked at the tax rate of 30%.

The financial effect of the dividend resolved to be paid subsequent to reporting date has not been brought to account in the financial statements for the half-year ended 31 January 2024 and will be recognised in subsequent financial reports.

The Dividend Reinvestment Plan has been suspended for the interim dividend declared since the end of the period.

12. ISSUED AND QUOTED SECURITIES AT THE END OF CURRENT PERIOD

	TOTAL NO.
Ordinary Securities:	
Opening balance	53,311,125
9 October 2023 – Share buy back	(50,000)
12 January 2024 – Share buy back	(157,480)
24 January 2024 – Share buy back	(37,152)
Closing Balance	53,066,493

NOTES TO THE INTERIM FINANCIAL STATEMENTS

13. COMMENTS BY DIRECTORS

Description of event(s) since the end of the current period which has had a material effect and is not already reported elsewhere in this financial report.

Nil.

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

The Group has sufficient franking credits (\$4.8) million to fully frank all dividends that have been declared.

14. COMMITMENTS FOR EXPENDITURE

Capital commitments

The Group has uncalled capital commitments of up to \$2.9 million in relation to private equity investments held at period end.

15. SUBSEQUENT EVENTS

Other than the dividend declared since the end of the half-year included in Note 11, no other matters or circumstances have arisen which have 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 periods.

DIRECTORS' DECLARATION

The directors declare that, in the opinion of the directors:

1. the financial statements and notes set out on pages 20 to 30 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001, and;
 - (b) giving a true and fair view of the Group's financial position as at 31 January 2024 and of its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



J. E. Gowing

Executive Chairman

28 March 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Gowing Bros Limited


As lead auditor for the review of Gowing Bros Limited for the half-year ended 31 January 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Gowing Bros Limited and the entities it controlled during the period.

Yours faithfully


William Buck
Accountants & Advisors
ABN 16 021 300 521


L. E. Tutt
Partner
Sydney, 28 March 2024

Independent auditor's review report to the members of Gowing Bros Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half year financial report of Gowings Bros Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 January 2024 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 January 2024,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including a summary of material accounting policy information and other explanatory information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 January 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

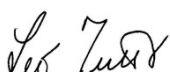
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



William Buck

Accountants & Advisors

ABN 16 021 300 521



L. E. Tutt

Partner

Sydney, 28 March 2024