

GOWINGS 156th ANNUAL REPORT

31 JULY 2024

Gowings Family

GO NORTH



Ted Gowing



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CORPORATE DIRECTORY

Directors

Mr. John Gowing (Executive Chairman and Managing Director)

Mr. Sean Clancy (Non-executive Director)

Mr. John Parker (Non-executive Director)

Mr. James Davis (Non-executive Director)

Mr. James Gowing (Executive Director - Finance)

Associate Directors

Mr. Ellis Gowing

Secretary

Mr. Ian Morgan

Stock Exchange Listing

The Australian Securities Exchange

Ticker Code: GOW

Registered Office

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EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR'S REVIEW OF OPERATIONS

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



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

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

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

- (i) Successfully negotiating the renewal of the lease with Coles at Gowings Kempsey Central.
- (ii) The takeover of our long term investment in DICE Molecules by Eli Lilly, resulting in a capital gain of approximately \$6 million.

- (iii) The continuing sales of lots in stage 3 at Sawtell Commons, which have been a significant contributor to group cash flow and earnings.
- (iv) The completion of the installation of solar panels on the rooftop car park at Gowings Coffs Central. Providing both shade for shoppers parking and a material saving in annual energy bills.

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

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

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

Most of our retail leases have a percentage of turnover provision or an annual CPI uplift which over the medium term protects the underlying value of our shopping centres during the ‘new normal’ period of inflation. As such our Shopping Centres remain a good hedge against inflation over the long

term. Particularly now that the replacement cost of our centres is higher than the carrying value and thereby creating a significant barrier to entry for new players.

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

GOWINGS SURF HARDWARE INTERNATIONAL

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

SAWTELL COMMONS

Stage 3 at Sawtell Commons is now complete, there have been 40 blocks of land sold and contracts exchanged. The market in Coffs Harbour for vacant residential land has slowed somewhat. Preliminary approval work for Stage 4 consisting of 31 lots is underway with an aim for them to be completed in 2025. Construction

has commenced on The Coffs Harbour Bypass, which is a positive catalyst for economic activity and skilled employment in the area.

DIVIDENDS

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

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

OUTLOOK

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

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



J. E. Gowing
Executive Chairman and Managing Director

REDUCING OUR FOOTPRINT

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

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

REVIEW OF OPERATIONS (CONTINUED)

FINANCIAL REVIEW

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

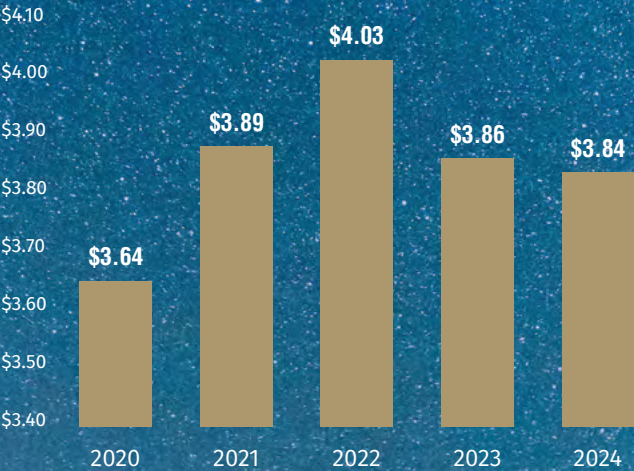
DIVIDENDS DECLARED PER SHARE



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

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

NET ASSETS PER SHARE

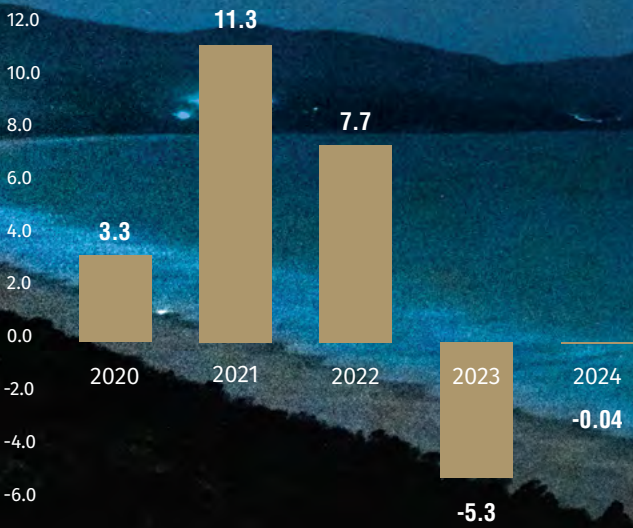


Net assets per share before tax on unrealised gains on equity, investment properties and private equities was at \$3.84 as at 31 July 2024. Total shareholder return was 1.1% including the 6.0c paid to Shareholders during the year.

TOTAL REGULAR DIVIDEND PER SHARE

\$0.0645

OPERATIONAL PROFIT (\$MILLION)



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

KEY METRICS

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

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

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

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

NET ASSETS

\$203.6M

EARNING PER SHARE

(0.07)C

NET ASSETS PER SHARE

\$3.84

DIVIDENDS DECLARED PER SHARE

\$0.0645

NET LOSS AFTER TAX

\$0.04M

TOTAL SHAREHOLDER RETURN

1.1%

REVIEW OF OPERATIONS (CONTINUED)

PROFIT AND LOSS STATEMENT

For the year ended	31 July 2024 \$'000	31 July 2023 \$'000
Net Income from Ordinary Activities		
Interest Income	709	360
Investment Properties	4,735	5,092
Development Properties	4,468	3,407
Equities – Dividend Income	768	1,392
Managed Private Equities	65	104
Surf Hardware International	(2,100)	(1,258)
Total Net Income from Ordinary Activities	8,645	9,097
Head Office Expenses		
Administration, Public Company and Other	6,714	6,292
Operational Profit	1,931	2,805
Gain/(loss) on sale or revaluation		
Investment Properties – unrealised	-	(13,271)
Investment Properties – realised	(341)	(15)
Managed Private Equity – unrealised	(112)	(86)
Managed Private Equity - realised	(102)	380
Derivatives (Fixed Interest Rate Hedge) - realised	313	(78)
Other		
Other Income	139	663
Non-recurring expenses	(2,237)	-
Loss Before Tax	(402)	(9,602)
Income Tax Benefit	370	4,317
Loss After Tax	(39)	(5,285)

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

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

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

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

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

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

REVIEW OF OPERATIONS (CONTINUED)

GOWINGS AT A GLANCE (AT DIRECTORS' VALUATION)

	31 July 2024 \$'000	31 July 2023 \$'000
Net Income from Ordinary Activities		
Cobram Estates Olives	16,759	12,783
Surf Hardware International (at cost)	16,000	16,000
Carlton Investments	6,362	6,129
Power Pollen Accelerated Ag Technologies	1,538	1,541
SYMBYX	800	600
EFTsure	738	738
Woolworths Group Ltd	690	-
Eratos	500	500
Tasmanian Oyster Company	480	480
Space X	458	-
Perpetual Limited	443	-
Australian Foundation Investments	431	418
BHP Group Limited	423	460
Other Investments – Australia	10,318	10,975
Other Investments – International	2,965	9,272
Total	58,905	59,896
Private Equity Funds		
Our Innovation Fund I	2,919	2,775
OurCrowd Australia	624	916
Our Innovation Fund II	582	569
Skalata Fund II	293	289
Other Private Equity Funds	780	682
Total	5,198	5,231
Pacific Coast Shopping Centre Portfolio		
Sub-regional and Neighbourhood shopping centres	189,030	187,885
Borrowings	(95,865)	(94,310)
Total	93,165	93,575
Other Direct Properties		
Properties under development ¹	13,439	17,020
Properties available for development ¹	14,697	12,498
Other properties	1,138	1,124
Total	29,274	30,642
Cash and Other		
Cash (AUD)	5,104	10,355
Cash (USD)	8,555	4,620
Tax Liabilities	(12,631)	(11,218)
Surf Hardware International Consolidation Impact ²	(3,718)	(4,804)
Other Assets and Liabilities	19,762	17,424
Total	17,072	16,377
Net assets before tax on unrealised gains on equities, investment properties and private equities	203,614	205,721
Provision for tax on unrealised gains on equities, investment properties and private equities	(9,359)	(10,369)
Net assets after tax on unrealised gains on equities, investment properties and private equities	194,255	195,352

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

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

REVIEW OF OPERATIONS (CONTINUED)

STRATEGIC INVESTMENTS

Gowings Surf Hardware International (\$16 M at cost)

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

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

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

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

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

www.surfhardware.com.au

LISTED AUSTRALIAN SHARES

Cobram Estate Olives (\$16.7 M)

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

BHP Billiton (\$0.423 M)

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

www.bhp.com

Australian Foundation Investments (\$0.43 M)

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

Woolworths Group Ltd (\$0.69 M)

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

www.woolworthsgroup.com.au

Carlton Investments (\$6.36 M)

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

Perpetual Limited(\$0.44 M)

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

www.perpetual.com.au

UNLISTED SHARES

SPACEX (\$0.45 M)

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

www.spacex.com

Wholesale Investor (\$0.4 M)

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 Global (\$0.3 M)

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

SYMBYX (\$0.8 M)

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

Power Pollen (\$1.53 M)

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

www.powerpollen.com

PRIVATE EQUITIES

Our Innovation Fund I, II & III (\$3.71 M)

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

www.oifventures.com.au

Tasmanian Oyster Company (\$0.48 M)

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

EFTSure (\$0.73 M)

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

www.get.eftsurance.com.au

OurCrowd Australia(\$0.62 M)

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

www.ourcrowd.com



REVIEW OF OPERATIONS (CONTINUED)

STRATEGIC INVESTMENTS

PACIFIC COAST SHOPPING CENTRE PORTFOLIO

Retail Sales Growth & Resilience

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

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

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

Coffs Central

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

have recently opened, further enhancing our diverse retail mix.

These new openings are a testament to the ongoing belief in the future of Coffs Central, even amidst challenging economic conditions. The leasing pipeline and enquiry levels remain strong, and we are working

with several more exciting retailers who will be opening in the coming months.

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



Port Central

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

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

Kempsey Central

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

OTHER INVESTMENTS PROPERTIES & PROPERTIES UNDER DEVELOPMENT

Sawtell Commons

Sawtell Commons Stage 3 has been completed and we have realised \$8.73 million in gross sales in the current reporting period. These sales have been made at good prices and overall profit generated from the Sawtell Development was \$4.52 million. Preliminary planning works are underway for Stage 4, consisting of 31 lots, with an aim for them to be completed in 2025.

Solitary 30

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

Logie Farm and Pipers Brook

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



REVIEW OF OPERATIONS (CONTINUED)

SUSTAINABILITY PROGRAM

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

SHOPPING CENTRES

Completed Initiatives

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

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

Future Plans

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

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

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



LAND DEVELOPMENT

SAWTELL COMMONS (220 LOT SUBDIVISION IN BONVILLE SOUTH OF COFFS HARBOUR)

Completed Initiatives

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

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

Future Plans

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

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



SAWTELL COMMONS

220 LOT SUBDIVISION

REVIEW OF OPERATIONS (CONTINUED)
SUSTAINABILITY PROGRAM

GOWINGS SURF HARDWARE INTERNATIONAL

Completed Initiatives

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

Future Plans

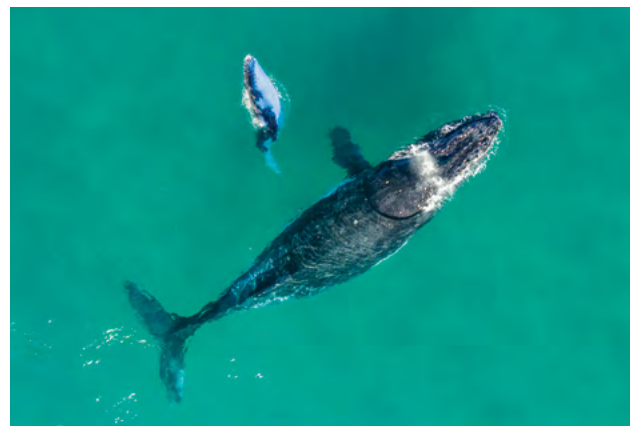
The 1% for the Gowings Whale Trust plan will continue in the foreseeable future and GSHI packaging will be shifted away from single use plastics to cardboard wherever possible. Longer term the aim is to shift production to the use of recycled materials. As a surf travel business, it is integral to Gowings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



INVESTMENTS

Completed Initiatives

The day to day running and practices of the majority of Gowings investments are, generally speaking, outside of our immediate control and this applies to our share portfolio and venture capital investments. Gowings have, however, invested in two farming properties in Tasmania that enable us to implement best practice farming while also assisting in facilitating future developments.



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 was donated to Sea Shepherd and we have helped fund Sea Shepherds work on stopping krill harvesting in the Antarctic and their merchandise is promoted at Gowings centres to provide additional support.

Future Plans

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



GOWINGS GONE NORTH

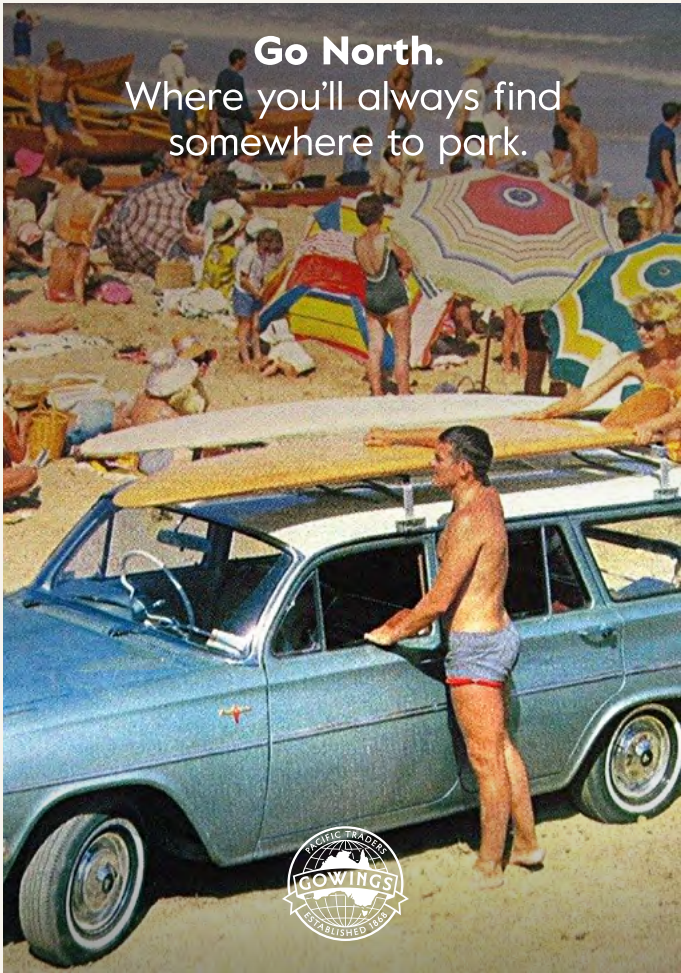
GO NORTH

GOWINGS is an Investment Company with proud family heritage, located on the beautiful mid-North Coast of NSW. We have been in the business of ‘Enriching People’s Lives, since 1868. and we believe that ‘real people invest in Gowings’.

Our objective is to connect Gowings to Australia through history, pioneering spirit, Australian culture, achievements and positive identity. To influence, reinforce and create an image of who Gowings is, and what Gowings stands for — our philosophy, goals and purpose — and that we are all connected and should care for one-another. ‘Go North’ recontextualises the familiar, not as a simple act of ‘doing’, but as a state of ‘being’ — an idealised vision of where we all want to go.

It allows us to frame communication in a personable and irreverent way, and thread together narratives drawn from history, current events, and our portfolio of investments.

Using our pillars of “community, innovation and environment, our objective is to celebrate our unique pioneering spirit, generate awareness of the Gowings brand, and continue to bring a focus to Australian investment opportunities.



FCS GO

FCS Go is a new marketing campaign to drive sales and awareness of FCS and to position FCS in the travel segment.

Driven by a desire to make surf travel simple and ensure a surfboard hits its optimum performance, FCS products are built to help surfers get the maximum amount from each and every surfing experience.

With a focus on innovation and heritage that’s rooted in the core of surfing, our premium surf hardware is rigorously engineered so nothing is holding you back.

So, when airfares go on sale, you’re paddling out for the first time or the wave of the day comes right to you, there is no reason not to GO.



GOWINGS GOLD

In an authentically Australian way, Gowings Coffs Central envisions a place where locals can connect with their community, through social activities, entertainment, events, education and retail offers. Both locals and tourists actively choose our center for its ambiance, friendly retailers, support community arts and culture activations, and a diverse array of products and services.

All these elements contribute to our unique customer experience, making a visit to Gowings Coffs Central “So much more than shopping!”



Ted Gowing in WWII, Hurricane. Circa 1944.
Each mission the Pilots did not know whether they would make it back.
On encountering the enemy, the Hurricanes long range tanks would be dropped at sea. Return was impossible if far from base. Out of Ted's 22 man Air Force squadron 4 returned.

THE GOWINGS WAY

For 156 years, we have proudly served Australia and its people

"The Gowings Way" book celebrates our unique Aussie heritage, our way of doing business and our pioneering history. A proud fifth generation Australian family business, Gowings is the embodiment of the Australian Spirit. Authenticity and adaptability has made Gowings stand the test of time. As we celebrate this accomplishment, we are inspired by the fierce loyalty of Australians and their love for our Great Southern Land. Ted Gowing, represents the courage and tenacity with which our country faced the challenges of two world wars.

Ted's squadron escorted Atlantic convoys between US and UK. Each day they flew not knowing who would return.

Gowing's continues the tradition of overcoming challenges head on. We are proud to tell the story of Gowings Bros and the dedicated people who built it. The story of our vision and values: dependable, honest and fair dealing. With strong relationships, we build businesses, contributing to the long-term success of our nation.

Our pioneering inventive, persevering Spirit is, "The Gowings Way".

"Everyday people working together achieve extraordinary outcomes."

- John Gowing, 2024 -



Go North

Where the fish are bigger,
and the crowds are smaller.



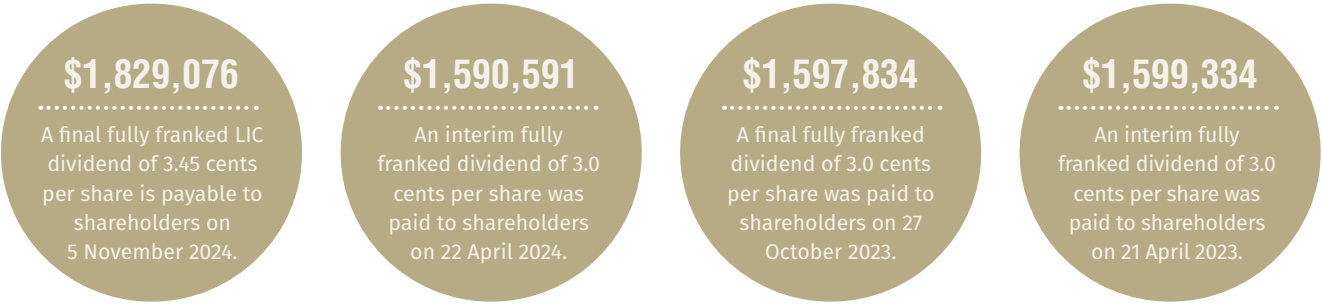
DIRECTORS’ REPORT

Your Directors are pleased to present their report on the Company for the year ended 31 July 2024.

Results

For the year ended	31 July 2024 \$'000	31 July 2023 \$'000
Operating loss for the year before income tax	(409)	(9,602)
Income tax benefit	370	4,317
Net loss after income tax	(39)	(5,285)
Net loss attributable to members of Gowing Bros. Limited	(43)	(5,286)

Dividends



Review of Operations

The operations of the Company are reviewed in the Executive Chairman and Managing Director’s ‘Review of Operations’ on page 2.

Environment

The Company is committed to a policy of environmental responsibility in all its business dealings. This policy ensures that when the Company can either directly or indirectly influence decisions that have an impact on the environment, this influence is used responsibly.

Principal Activities

The principal activity of the Company is investment and wealth management. The Company maintains and actively manages a diversified portfolio of assets including long-term equity and similar securities, investment properties, managed private equity, property development projects and cash.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company other than as disclosed elsewhere in this report.

Matters Subsequent to the End of the Financial Year

No matter or circumstance has arisen since the end of the financial year which has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years, except for the matters disclosed in note 45 of the financial report.

Likely Developments and Expected Results of Operations

Further information on likely developments in the operations of the Company is included in the Executive Chairman and Managing Director’s ‘Review of Operations’ on page 2.

DIRECTORS’ AND EXECUTIVES' INTERESTS

The following persons were directors, executives or a company secretary of Gowing Bros. Limited either during or since the end of the year.

	Total Shares
J. E. Gowing Executive Chairman and Managing Director	Appointed Executive Chairman 25 August 2023 and reaffirmed 25 July 2024. Executive Director and Member of the Remuneration Committee Director since 1983 Bachelor of Commerce Member of Chartered Accountants Australia and New Zealand, and Member of CPA Australia. No other directorships held in listed companies over the past 3 years. 20,993,748
J. G. Parker Non-Executive Director	Director since 2002 and Chairman of the Audit Committee Bachelor of Economics Mr. Parker is a coach of senior executives, with over three decades as an investment professional. No other directorships held in listed companies over the past 3 years. 57,306
S. J. Clancy Non-Executive Director	Director since April 2016 and Chairman of the Remuneration Committee and Member of the Audit Committee Diploma of Marketing. Mr. Clancy is an experienced businessman with a focus on sales and marketing and is presently a director of Transfusion Pty Ltd. 5,000
J. E. Davis Non-Executive Director <small>(Appointed 25 August 2023)</small>	Appointed Director in August 2023 and Member of the Audit Committee. Bachelor of Applied Finance, Bachelor of Commerce (Accounting and Finance), CA. James Davis is a Partner at HQB Accountants Auditors Advisors at Bellingen and Coffs Harbour, NSW. He joined HQB in 2014 and made Partner in 2016. Earlier in his career, James worked at Ernst & Young and Westpac Group, working in audit & assurance in both roles. No other directorships held in listed companies over the past 3 years. 5,000
J. E. Gowing (James) Executive Director - Finance <small>(Appointed 25 August 2023)</small>	Appointed Director in August 2023. Bachelor of Business, CA. He is a Chartered Accountant and after graduating from UTS spent five years in Audit and Assurance at William Buck. He has experience with a wide range of Australian Companies, both listed and private. No other directorships held in listed companies over the past 3 years. 64,504
I. H. Morgan Joint Company Secretary	Bachelor of Business, Master of Law, Grad Dip Applied Finance and Investment Mr. Morgan was appointed company secretary on 18 April 2019 and has over 35 years’ experience as a Company Secretary and Chartered Accountant for businesses operating both in Australia and overseas. 4,000

MEETINGS OF DIRECTORS

Attendance at Board, Audit Committee & Remuneration Committee meetings by each Director of the Company during the financial year is set out below:

	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Meetings Eligible to attend	Attended	Meetings Eligible to attend	Attended	Meetings Eligible to attend	Attended
J. E. Gowing	7	7	-	-	1	1
J. G. Parker	6	5	1	1	-	-
S. J. Clancy	7	7	1	1	1	1
J. E. Gowing (James)	5	4	-	-	-	-
J. E. Davis	5	3	1	1	-	-

During the year ended 31 July 2024, meetings were held in person, by telephone and by email. Where necessary, circular resolutions were also approved.

Remuneration Report

The Company’s remuneration report, which forms a part of the Directors’ Report, is on pages 24 to 26 .

Corporate Governance

The Company’s statement on the main corporate governance practices in place during the year is set out on the Company’s website at <http://gowings.com/reports-announcements/>

Auditor’s Independence Declaration

A copy of the Auditor’s Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 65.

Shares Under Option

There were no unissued shares under option at the date of this report.

Indemnification and Insurance of Directors and Officers

The Company’s constitution provides an indemnity for every officer against any liability incurred in his/her capacity as an officer of the Company to another person, except the Company or a body corporate related to the Company, unless such liability arises out of conduct involving lack of good faith on the part of the officer. The constitution further provides for an indemnity in respect of legal costs incurred by those persons in defending proceedings in which judgement is given in their favour, they are acquitted or the court grants them relief. During the year the Company paid insurance premiums in respect of the aforementioned indemnities. Disclosure of the amount of the premiums and of the liabilities covered is prohibited under the insurance contract.

Indemnification and insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor’s expertise and experience with the Company are important.

The Board of Directors has considered the position in accordance with advice received from the Audit Committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure that they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES110 Code of Ethics for Professional Accountants (including Independence Standards), including reviewing or auditing the auditor’s own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Audit and Non-Audit Services

During the year the following fees were paid or payable for services provided by William Buck the auditor of the company.

	31 July 2024 \$	31 July 2023 \$
Audit services – William Buck		
Audit and review – group	127,000	123,500
Audit and review – controlled entities	146,900	50,500
Other services – William Buck		
Financial review	13,500	5,250
	287,400	179,250

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 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.

Environmental Regulation

No significant environmental regulations apply to the Company.

This report is made in accordance with a resolution of the Directors of Gowing Bros. Limited.



J. E. Gowing
Executive Chairman and
Managing Director

Coffs Harbour, NSW
28 October 2024

REMUNERATION REPORT

The Remuneration Report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Additional information

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

Principles used to Determine the Nature and Amount of Remuneration

It is the Company’s objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating Directors and executives fairly and appropriately with reference to relevant employment market conditions and the nature of Company operations.

The Board has established a Remuneration Committee which consists of the following Directors:

- S. J. Clancy, Chairman of the Remuneration Committee
- J. E. Gowing, Executive Chairman and Managing Director

Non-Executive Directors

For Non-executive Directors, remuneration is by way of Directors’ fees as described below. For the Executive Director and senior executives, remuneration is by way of a fixed salary component and a discretionary incentive component as described below.

Persons who were Non-executive Directors of the Company for all or part of the financial year ended 31 July 2024 were:

- J. G. Parker
- S. J. Clancy
- J. E Davis

Directors’ fees

The remuneration of Non-executive Directors is determined in accordance with the Directors’ remuneration provisions of the Company’s constitution. Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors’ fees and payments are reviewed annually by the Remuneration Committee in line with the market and approved by the Board. The Chairman’s fees are determined independently to the fees of Non-executive Directors based on comparative roles in the external market. Non-executive Directors do not receive any performance based remuneration or share options.

There is no scheme to provide retirement benefits to Non-executive Directors outside of statutory superannuation.

Executives

Executives are officers of the Company who are involved in, concerned with, take part in and are able to influence decisions in the management of the affairs of the Company. Persons who were executives for all or part of the financial year ended 31 July 2024 were:

- J. E. Gowing, Executive Chairman and Managing Director
- J. E. Gowing (James), Executive Director - Finance
- E. J. Gowing (Ellis), Associate Director

Executive remuneration is a combination of a fixed total employment cost package and a discretionary incentive element which may be awarded by cash or invitation to participate in the Company’s Employee Share & Option Scheme or Deferred Employee Share Plan Scheme. Remuneration is referenced to relevant employment market conditions and reviewed annually to ensure that it is competitive and reasonable.

The incentive element is awarded at the discretion of the Remuneration Committee and approved by the Board on the basis of recommendations from the Executive Chairman. The Executive Chairman’s incentive element is awarded at the discretion of the Remuneration Committee and approved by the Board. In determining the amount (if any) of bonus payments or of options or shares issued, consideration is given to an executive’s effort and contribution to both the current year performance and the long term performance of the Company, the scope of the executive’s responsibility within the Company, the scale and complexity of investments required to be managed, the degree of active management required and the degree of skill exhibited in the overall process. Regard is also given to the quantum of an executive’s total remuneration.

REMUNERATION REPORT

Details of Remuneration

Details of the remuneration of the Directors and key management personnel are set out in the following tables:

2024					Share based \$	Post – employment \$	Long term \$	Total \$
	Cash salary and fees	Cash bonus	Movement in provision for annual leave	Non-monetary benefits	Share bonus	Superannuation	Movement in provision for long service leave	
Non-executive Directors								
J. G. Parker	53,233	-	-	-	-	5,440	-	58,673
S. J. Clancy	63,305	-	-	-	-	6,986	-	70,291
J. E. Davis (Appointed - Aug 23)	55,000	-	-	-	-	-	-	55,000
	171,538	-	-	-	-	12,426	-	183,964
Executive Directors								
J. E. Gowing (Chairman and Managing Director)	162,102	-	(4,764)	-	-	17,898	4,954	180,190
J. E. Gowing (James) (Executive Director - Finance)	122,576	-	(2,370)	-	-	13,424	4,005	136,635
Other key management personnel								
E. J. Gowing (Ellis)	52,285	-	(1,740)	-	-	5,800	971	57,316
Total key management personnel compensation	507,501	-	(8,874)	-	-	49,548	9,930	558,105

2023					Share based \$	Post – employment \$	Long term \$	Total \$
	Cash salary and fees	Cash bonus	Movement in provision for annual leave	Non-monetary benefits	Share bonus	Superannuation	Movement in provision for long service leave	
Non-executive Directors								
Prof. J. West (Chairman)	96,350	-	-	-	-	10,156	-	106,506
J. G. Parker	52,066	-	-	-	-	15,300	-	67,366
S. J. Clancy	43,439	-	-	-	-	4,579	-	48,018
	191,855	-	-	-	-	30,035	-	221,890
Executive Directors								
J. E. Gowing	162,835	-	10,230	-	-	17,165	2,488	192,718
Other key management personnel								
J. E. Gowing (James)	122,126	-	429	-	-	12,874	2,011	137,440
Total key management personnel compensation	476,816	-	10,659	-	-	60,074	4,499	552,048

REMUNERATION REPORT

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed		Performance	
	2024 (%)	2023 (%)	2024 (%)	2023 (%)
Executive Chairman and Managing Director				
J. E. Gowing	100	100	-	-
Other key management personnel				
J.E. Gowing (James)	100	100	-	-
E. J. Gowing (Ellis)	100	100	-	-

Service Agreements

There are service agreements in place with J. Parker, J. Gowing, S. Clancy, J.E. Gowing, J. Davis, E. Gowings.

Remuneration and other terms of employment for the Executive Chairman, executives and other key management personnel are approved by the Board and provide for the provision of performance-related incentives.

Other major provisions relating to remuneration are set out below:

J. E. Gowing, Executive Chairman and Managing Director

- No fixed term.
- Base salary, inclusive of superannuation, as at 31 July 2024 of \$180,000, to be reviewed annually by the Remuneration Committee.
- No termination benefit is payable.

J. E. Gowing (James), Executive Director - Finance

- No fixed term.
- Base salary, inclusive of superannuation, as at 31 July 2024 of \$135,000, to be reviewed annually by the Remuneration Committee.
- No termination benefit is payable

E. J. Gowing (Ellis), Associate Director

- No fixed term.
- Base salary, inclusive of superannuation, as at 31 July 2024 of \$130,000, to be reviewed annually by the Remuneration Committee.
- No termination benefit is payable

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001

Additional Information

Employee Share & Option Scheme: The scheme is operational. No shares or options were issued under this scheme during the year.

Deferred Employee Share Plan Scheme: All employees and non-executive directors are eligible to participate in the Company's Deferred Employee Share Plan Scheme. Shares issued under this plan during the year were purchased on market.

The Company Employee Share & Option Scheme and Deferred Employee Share Plan Scheme may be utilised as a part of the award of any incentive payment for all employees which in turn assists in aligning the interests of employees with the long term performance of the Company.

The table set out below reflects the relationship between Remuneration Policies and Company Performance:

	2024	2023	2022	2021	2020
Net Profit/(loss) after tax	(\$39)k	(\$5.3)m	\$10.9m	\$10.4m	\$4.7m
Basic and diluted earnings/(loss) per share	(0.07)c	(9.91)c	20.42c	19.35c	8.82c
Dividends per share declared	6.45c	7.0c	8.0c	8.0c	8.0c
Share buy back – number of shares	294k	-	314k	121k	193k
Share buy back – value	\$668k	-	\$912k	\$202k	\$393k
Share price at financial year end	\$2.16	\$2.51	\$2.77	\$2.74	\$1.34

ASX LISTING REQUIREMENTS

1. Shareholders at 16 October 2024

Range of shares	No. of shareholders
1 – 1,000 shares	335
1,001 – 5,000 shares	359
5,001 – 10,000 shares	143
10,001 – 100,000 shares	269
Over 100,000 shares	53
Total shareholders	1,159

The number of shareholdings held in less than marketable parcels is 154.

2. Voting Rights

Members voting personally or by proxy have one vote for each share.

3. Substantial Shareholders at 16 October 2024

The substantial shareholders as defined by Section 9 of the Corporations Act 2001 are:

John Edward Gowing	21,128,252	Ordinary shares
Carlton Hotel Limited	4,701,144	Ordinary shares
Philip Anthony Feitelson	3,444,758	Ordinary shares

4. Top 20 Equity Security Holders at 16 October 2024

In accordance with Australian Securities Exchange Listing Rule 4.10, the top 20 equity security holders are:

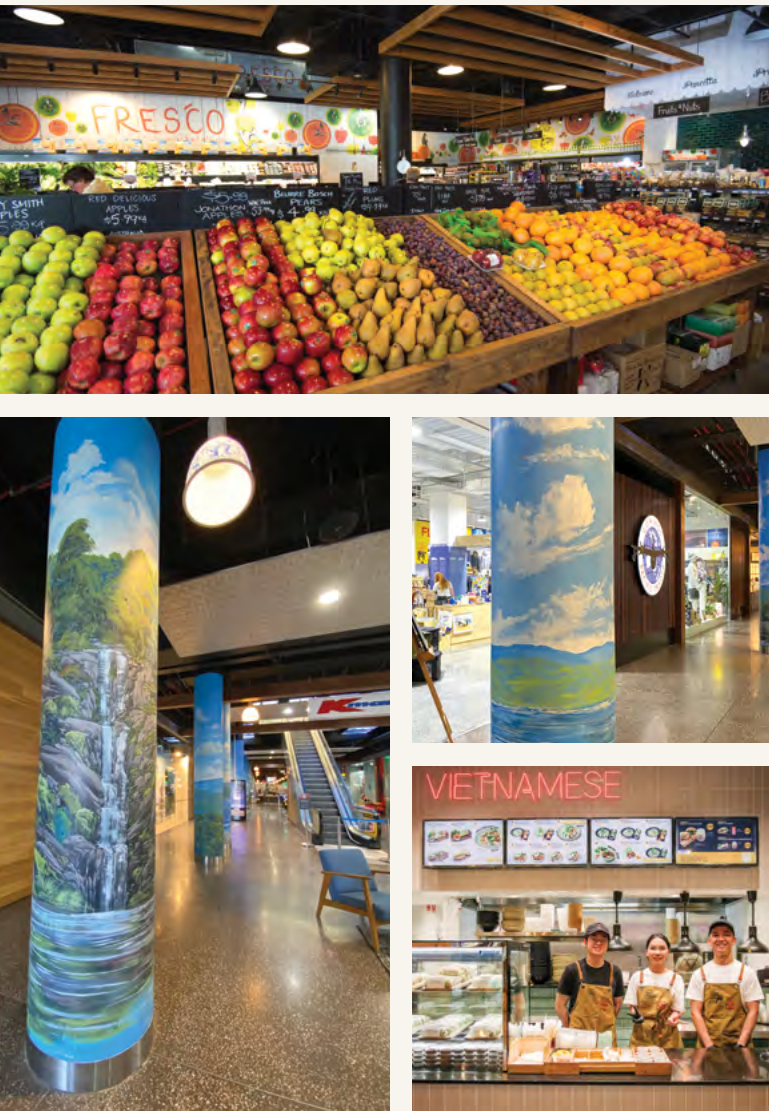
		No. of ordinary shares	% of issued shares
1	Warwick Pty Limited	7,211,378	13.60%
2	Audley Investments Pty Ltd	5,263,957	9.93%
3	Carlton Hotel Limited	4,701,144	8.87%
4	Mr John Edward Gowing	3,676,709	6.94%
5	Woodside Pty Ltd	3,235,816	6.10%
6	Charles & Cornelia Goode Foundation Pty Ltd	2,500,000	4.72%
7	Ace Property Holdings Pty Ltd	1,560,000	2.94%
8	Mr John Gowing	1,187,189	2.24%
9	Mr Frederick Bruce Wareham	1,152,358	2.17%
10	Mr Philip Anthony Feitelson	772,500	1.46%
11	Henadome Pty Ltd	670,000	1.26%
12	Mr Graeme Legge	669,200	1.26%
13	Feitelson Holdings Pty Limited	665,625	1.26%
14	Mr Ronald Langley and Mrs Rhonda Elizabeth Langley	660,580	1.25%
15	Enbear Pty Limited	636,829	1.20%
16	Mrs Jean Kathleen Poole-Williamson	568,443	1.07%
17	Feitelson holdings pty limited	550,000	1.04%
18	Mr philip anthony feitelson	547,283	1.03%
19	Capitol securities pty ltd	494,000	0.93%
20	Jamina investments pty ltd	441,258	0.83%
Total		37,164,269	70.10%
Total issued share capital		53,016,693	

5. Corporate Governance Practices

The Company's statement on the main corporate governance practices in place during the year is set out on the Company's website at www.gowings.com/reports-announcements/.

FINANCIAL REPORT

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The consolidated financial statements were authorised for issue by the Directors on 28 October 2024. The Directors have the power to amend and reissue the consolidated financial statements.

Consolidated Statement of Profit or Loss

For the year ended	Notes	31 July 2024 \$'000	31 July 2023 \$'000
Revenue			
Interest income		709	360
Equities		768	1,392
Private equities	5	65	104
Investment properties	18	19,041	18,646
Development properties		8,788	7,950
Revenue from the sale of goods (Surf Hardware International)		37,715	42,749
Total revenue		67,086	71,201
Other income			
Gains / (losses) on disposal or revaluation of:			
Private equities	16	(214)	294
Investment properties	18	(341)	(13,286)
Total other income		912	1,077
Total income / (loss)		357	(11,915)
Total revenue and other income		67,443	59,286
Expenses			
Investment properties	18	8,465	8,218
Development properties		4,320	4,542
Finished goods, raw materials and other operating expenses (Surf Hardware International)		40,045	42,642
Administration ¹		4,542	3,333
Borrowing costs	5	5,677	5,838
Depreciation and amortisation		1,924	1,825
Employee benefits		2,426	1,821
Public company		453	669
Total expenses		67,852	68,888
Loss from continuing operations before income tax expense		(409)	(9,602)
Income tax benefit	6	370	4,317
Loss from continuing operations		(39)	(5,285)
<i>Loss from continuing operations is attributable to:</i>			
Members of Gowing Bros. Limited		(43)	(5,286)
Non-controlling interests		4	1
Loss from continuing operations		(39)	(5,285)

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

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

Consolidated Statement of Other Comprehensive Income

For the year ended	Notes	31 July 2024 \$'000	31 July 2023 \$'000
Loss from continuing operations		(39)	(5,285)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations, net of tax		(159)	488
Changes in the fair value of cash flow hedges, net of tax		(486)	683
Items that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments held at fair value through other comprehensive income, net of tax		3,443	1,255
Total comprehensive income / (loss)		2,759	(2,859)
<i>Total comprehensive income / (loss) attributable to:</i>			
Members of Gowing Bros. Limited		2,755	(2,860)
Non-controlling interests		4	1
Total comprehensive income / (loss)		2,759	(2,859)
Earnings per share			
Basic loss per share	41	(0.07)c	(9.91)c
Diluted loss per share	41	(0.07)c	(9.91)c

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

Consolidated Statement of Financial Position

As at	Notes	31 July 2024 \$'000	31 July 2023 \$'000
Current assets			
Cash and cash equivalents	7	18,327	17,394
Inventories	8	10,368	12,571
Trade and other receivables	9	5,665	6,834
Loans receivable	10	100	137
Development properties	11	2,629	6,332
Tax receivable	12	1,089	854
Other	13	3,328	1,334
Total current assets		41,506	45,456
Non-current assets			
Loans receivable	14	400	363
Equities	15	42,505	43,533
Private equities	16	5,199	5,231
Development properties	17	25,528	23,195
Investment properties	18	190,148	189,001
Property, plant and equipment	19	6,677	5,294
Intangibles	20	3,674	3,710
Right of use assets	21	1,331	1,333
Derivatives	22	372	898
Deferred tax assets	23	1,247	1,471
Other	24	3,415	2,795
Total non-current assets		280,496	276,824
Total assets		322,002	322,280
Current liabilities			
Trade and other payables	25	4,682	5,195
Borrowings	26	-	963
Lease liabilities	27	1,051	868
Provisions	28	819	812
Total current liabilities		6,552	7,838
Non-current liabilities			
Trade and other payables		-	10
Borrowings	29	95,865	94,310
Lease liabilities	30	692	559
Provisions	31	311	301
Deferred tax liabilities	32	24,327	23,910
Total non-current liabilities		121,195	119,090
Total liabilities		127,747	126,928
Net assets		194,255	195,352
Equity			
Contributed equity	33	11,113	11,781
Reserves	34	103,314	103,776
Retained profits		79,819	79,790
Contributed equity and reserves attributable to members of Gowing Bros. Limited		194,246	195,347
Non-controlling interests		9	5
Total equity		194,255	195,352

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

Consolidated Statement of Changes in Equity

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

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

Consolidated Statement of Cash Flows

For the year ended	Notes	31 July 2024 \$'000	31 July 2023 \$'000
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		63,642	67,561
Payments to suppliers and employees (inclusive of GST)		(58,432)	(60,436)
Dividends received		768	1,496
Gain from Private Equities		252	-
Interest received		709	360
Borrowing costs paid		(5,317)	(5,760)
Income taxes paid		(1,186)	(1,745)
Net cash inflows from operating activities	43	436	1,476
Cash flows from investing activities			
Payments for purchases of properties, plant and equipment		(2,181)	(1,703)
Payments for purchases of intangibles		(594)	(2)
Payments for purchases of development properties		(2,333)	(3,863)
Payments for purchases of investment properties		(2,196)	(3,120)
Payments for purchases of equity investments		(3,358)	(3,104)
Payments for purchases of private equity investments		(305)	-
Payments for loans made		(137)	(200)
Proceeds from repayment of loans made		137	225
Proceeds from sale of development properties		8,872	7,950
Proceeds from sale of equity investments		8,788	7,282
Proceeds from sale of investment properties		-	5,696
Net cash inflows from investing activities		6,693	9,161
Cash flows from financing activities			
Payments for share buy-backs		(668)	-
Proceeds from borrowings		1,554	-
Repayment of borrowings	44	(963)	(1,888)
Repayment of lease liabilities	44	(2,931)	(1,336)
Dividends paid	35	(3,188)	(3,732)
Net cash outflows from financing activities		(6,196)	(6,956)
Net increase in cash and cash equivalents held		933	3,681
Cash and cash equivalents at the beginning of the financial year		17,394	13,713
Cash and cash equivalents at the end of the financial year	7	18,327	17,394

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

Notes To The Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gowings Bros. Limited (“the Company”) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (“ASX”). The consolidated financial statements comprise the Company and its controlled entities (referred herein as “the Group”).

Material and other accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Compliance with IFRS

The consolidated financial statements comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Historical cost convention

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of equities (financial assets at fair value through other comprehensive income), private equities (financial assets at fair value through profit or loss), investment properties, derivative financial instruments and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of consolidated financial statements in conformity with Australian Accounting Standards requires 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. Areas involving a higher degree of judgement and complexity or where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Comparative information

Information has been reclassified where applicable to enhance comparability.

Amending Accounting Standards and Interpretations

Several amending Accounting Standards and Interpretations apply for the first time for the current reporting period commencing 1 August 2023. These amending Accounting Standards and Interpretations did not result in any adjustments to the amounts recognised or disclosures in the financial report.

New, revised or amending Accounting Standards and Interpretations issued but not yet mandatory

Certain new Australian Accounting Standards and Interpretations have been recently published that are not yet mandatory for the reporting period ended 31 July 2024. The Group’s assessment is that these new Australian Accounting Standards and Interpretations are not expected to have a material impact on the Group in future reporting periods.

(b) Principles of Consolidation

The consolidated financial statements incorporate all the assets, liabilities and results of the Company and all the subsidiary companies and other interests it controlled during the year ended 31 July 2024. The Company controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Details of subsidiary companies and other interests of the Company are set out in note 39.

The assets, liabilities and results of its subsidiaries are fully consolidated into the financial statements of the Group from the date which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies of the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the consolidated statement of financial position and consolidated statement of comprehensive income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Business combinations

Business combinations occur where the Group acquires control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit and loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(d) Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is carried as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable net assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest form the cost of the investment.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (“full goodwill method”) or at the non-controlling interest’s proportionate share of the subsidiary’s identifiable net assets (“proportionate interest method”). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group’s cash-generating units or groups of cash-generating units, which represents the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker including:

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

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (“functional currency”). The consolidated financial statements are presented in Australian dollars, which is the Group’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Translation differences on private equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on equities are recognised in equity.

(iii) Foreign Operations

The financial results and position of foreign operations, whose functional currency is different from the Group’s presentation currency, are translated as follows:

- (a) assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- (b) income and expenses are translated at average exchange rates for the period; and
- (c) retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the consolidated statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(g) Income tax

The income tax expense or benefit for the period is the tax payable on the current period’s taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets and liabilities are recognised for temporary differences

at the tax rates expected to apply when the assets are recovered or liabilities are settled.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or loss or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Property, plant and equipment

Property, plant and equipment (excluding freehold properties) are measured at cost less accumulated depreciation and accumulated impairment losses. Costs are measured at fair value of assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Freehold properties are measured at fair value, with changes in fair value recognised in other comprehensive income. Depreciation is calculated on a straight-line basis to write off the net cost or revalued amount of each item of plant and equipment (excluding freehold land) over its expected useful life to the Group. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. Land is not depreciated. Depreciation is calculated to allocate cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Furniture, fittings and equipment	3 to 10 years
Motor vehicles	6 years
Buildings	40 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Right of use assets

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(k) Inventories

Inventories comprise raw materials and finished goods and are stated at the lower of cost and net realisable value. Costs of raw materials and finished goods are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Intangibles Other than Goodwill

Intangible assets are identifiable non-monetary assets without physical substance. They are recognised only if it is probable the asset will generate future benefits for the Group. Those assets with an indefinite useful life are tested for impairment annually. All intangible assets are tested for impairment when there is an indication that carrying amounts may be greater than recoverable amounts as set out in note 1(h).

(i) Patents

Patents have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of patents over their useful lives.

(ii) Brand names

Brand names are initially recognised at fair value when acquired in a business combination. Brand names are assessed to have an indefinite useful and are carried at cost less accumulated impairment. An indefinite useful life is considered appropriate when there is no foreseeable limit to the period over which the brand name is expect to generate cash flows.

(m) Revenue recognition

Revenue is recognised for the major business activities as follows:

- (i) *Equities*
Dividend income is recognised when received. Revenue from the sale of investments is recognised at trade date.
- (ii) *Property rental*
Rental income is recognised in accordance with the underlying rental agreements.
- (iii) *Land development and sale*
Revenue is recognised on settlement.
- (iv) *Sales of goods*
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.
- (v) *Other investment revenue*
Trust income and option income is recognised when earned.
- (vi) *Other property revenue*
Other property revenue is recognised in accordance with underlying agreements or when the right to receive payment is established.
- (vii) *Interest revenue*
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(n) Trade and other receivables

Receivables consists mainly of amounts due for rental income and sale of goods. Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Amounts are usually due between seven and ninety days from invoice date. Amounts due for the sale of financial assets and properties are usually due on settlement unless the specific contract provides for extended terms.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it’s carrying value is written off.

Derivative and hedging are classified as either fair value hedges, cash flow hedges or net investment hedges. For fair value hedges any gain or loss from remeasuring the hedging instrument at fair value is adjusted against the carrying amount of the hedged item and recognised in profit and loss. For cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss. Hedges for net investments in foreign operations are accounted for similarly to cash flow hedges. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

(i) Financial assets at fair value through profit of loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

(ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

The fair values of quoted investments are based on current market prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same and relying as little as possible on unobservable inputs and maximising the use of relevant observable inputs.

(iii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group’s assessment at the end of each reporting period as to whether the financial instrument’s credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset’s lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset’s lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(p) Investment properties

Investment properties, principally comprising freehold commercial and retail buildings, are held for long-term rental yields and are not occupied by the Group. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

(q) Joint ventures

Jointly controlled assets
The proportionate interests in the assets, liabilities and expenses of joint venture activities have been incorporated in the consolidated financial statements under the appropriate headings.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within thirty to sixty days after the end of the month of recognition.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Borrowings

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

(t) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial year but not distributed at balance date.

(u) Employee entitlements

- (i) Wages, salaries and annual leave
Liabilities for wages, salaries and annual leave are measured as the amount unpaid at the reporting date in respect of employees’ services up to that date at pay rates expected to be paid when the liabilities are settled.
- (ii) Long service leave
A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels and periods of service.

(v) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred except where they are included in the costs of qualifying assets. Only borrowing costs relating specifically to the qualifying asset are capitalised. Borrowing costs include interest on bank overdrafts and short-term and long-term borrowings, including amounts paid or received on interest rate swaps.

(w) Cash and cash equivalents

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(x) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right of use asset is fully written down.

(y) Earnings per share

- (i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year
- (ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of the interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(z) 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 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

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), liquidity risk, credit risk and fair value estimation risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group through the mix of investment classes. The Board of Directors and management undertake various risk management practices, both informally on a daily basis and formally on a monthly basis at board level. Risks are identified and prioritised according to significance and probability. Progress towards managing these risks is documented and formally reviewed on a monthly basis.

Market risk

- (i) Foreign exchange risk
- Foreign exchange risk arises when future commercial transactions and recognised financial assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group does not have a policy with regard to hedging currency risk. The Group has not hedged its foreign currency investments. The multiple currencies provide diversification benefits to the portfolio. The Group monitors foreign currency movements daily and seeks advice from foreign currency specialists as to potential courses of action that may protect or enhance the value of the Group's investments.

The Group's exposure to foreign currency risk on financial assets and liabilities at the reporting date was as follows:

Currency exposure in AUD	31st July 2024				31st July 2023			
	USD \$'000	EUR \$'000	GBP \$'000	JPY \$'000	USD \$'000	EUR \$'000	GBP \$'000	JPY \$'000
Cash and cash equivalents	8,878	308	101	1,222	5,162	462	72	514
Trade and other receivables	1,956	1,025	-	669	2,247	1,382	-	773
Trade and other payables	(679)	(565)	(37)	(264)	(536)	(388)	(35)	(112)
Lease liabilities	(1,114)	(492)	-	-	(243)	(556)	-	(36)
Equities	4,800	279	-	443	10,028	364	-	421
Private equities	890	-	-	-	916	-	-	-

Based on the cash held at 31 July 2024, if the Australian dollar weakened / strengthened by 10% against the US dollar, cash would have been \$986,000 higher / \$807,000 lower (2023: \$574,000 higher / \$469,000 lower). If the Australian dollar weakened / strengthened by 10% against the GBP, cash would have been \$11,000 higher / \$9,000 lower (2023: \$8,000 higher / \$7,000 lower). If the Australian dollar weakened / strengthened by 10% against the EUR, cash would have been \$34,000 higher / \$28,000 lower (2023: \$51,000 higher / \$42,000 lower). If the Australian dollar weakened / strengthened by 10% against the JPY, cash would have been \$136,000 higher / \$111,000 lower (2023: \$57,000 higher / \$47,000 lower).

Based on the trade receivables held at 31 July 2024, if the Australian dollar weakened / strengthened by 10% against the US dollar, receivables would have been \$217,000 higher / \$178,000 lower (2023: \$250,000 higher / \$204,000 lower). If the Australian dollar weakened / strengthened by 10% against the EUR, receivables would have been \$114,000 higher / \$93,000 lower (2023: \$154,000 higher / \$126,000 lower). If the Australian dollar weakened/strengthened by 10% against the JPY, receivables would have been \$74,000 higher / \$61,000 lower (2023: \$86,000 higher / \$70,000 lower).

Based on the trade payables held at 31 July 2024, if the Australian dollar weakened / strengthened by 10% against the US dollar, payables would have been \$75,000 higher / \$62,000 lower (2023: \$12,000 higher / \$10,000 lower). If the Australian dollar weakened/strengthened by 10% against the EUR, payables would have been \$63,000 higher / \$51,000 lower (2023 \$43,000 higher / \$35,000 lower). If the Australian dollar weakened/strengthened by 10% against the GBP, payables would have been \$4,000 higher / \$3,000 lower (2023: \$4,000 higher / \$3,000 lower). If the Australian dollar weakened/strengthened by 10% against the JPY, payables would have been \$29,000 higher / \$24,000 lower (2023: \$12,000 higher / \$10,000 lower).

Based on the lease liabilities held at 31 July 2024, if the Australian dollar weakened / strengthened by 10% against the US dollar, lease liabilities would have been \$124,000 higher / \$101,000 lower (2023: \$26,000 higher / \$21,000 lower). If the Australian dollar weakened/strengthened by 10% against the EUR, lease liabilities would have been \$55,000 higher / \$45,000 lower (2023: \$62,000 higher / \$51,000 lower). If the Australian dollar weakened / strengthened by 10% against the JPY, lease liabilities would have been \$nil (2023: \$4,000 higher / \$3,000 lower).

Based on the equities held at 31 July 2024, if the Australian dollar weakened / strengthened by 10% against the US dollar, equities would have been \$533,000 higher / \$436,000 lower (2023: \$1,114,000 higher / \$912,000 lower). If the Australian dollar weakened/strengthened by 10% against the EUR, equities would have been \$31,000 higher / \$25,000 lower (2023: \$40,000 higher / \$33,000 lower). If the Australian dollar weakened / strengthened by 10% against the JPY, equities would have been \$49,000 higher / \$40,000 lower (2023: \$47,000 higher / \$38,000 lower).

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Based on the private equities held at 31 July 2024, if the Australian dollar weakened / strengthened by 10% against the US dollar, private equities would have been \$99,000 higher / \$81,000 lower (2023: \$102,000 higher / \$83,000 lower).

The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date.

- (i) Price risk
- The Group is exposed to asset price risk. This arises from equities and private equities held by the Group. A price reduction at 5% and 10% spread equally over the investment portfolio would reduce its value by \$2,385,000 (2023: \$2,438,000) and \$4,770,000 (2023: \$4,876,000) respectively.

The Group seeks to reduce market risk at the investment portfolio level by ensuring that it is not overly exposed to one company or one particular sector of the market. The relative weightings of the individual investments and the relevant market sectors are reviewed regularly and risk can be managed by reducing exposure where necessary. The Group does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector. The writing and purchasing of options provides some protection against a fall in market prices by both generating income to partially compensate for a fall in capital values and buying put protection to lock in asset prices.

- (ii) Interest rate risk
- The Group's interest-rate risk arises from long-term borrowings and cash on deposit. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. The Group's interest bearing assets include deposits on the overnight money market. Interest earned on these deposits varies according to the Reserve Bank's monetary policy decisions.

	Weighted average interest rate	31st July 2024 Balance \$'000	Weighted average interest rate	31st July 2023 Balance \$'000
Borrowings	4.49%	95,865	5.06%	95,273
Interest rate swaps (notional principal amount)	1.69%	(47,000)	2.05%	(47,000)
Net exposure to cash flow interest rate risk		48,865		48,273

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements. The Group does not hold any collateral.

Liquidity risk

This is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Management monitors its cash flow requirements daily. Furthermore, management monitors the level of contingent payments on a weekly basis by reference to known sales and purchases of securities and dividends and distributions to be paid or received.

Maturity of Financial Liabilities

31 July 2023	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash flow
Non-derivatives					
Non-interest bearing	5,195	10	-	-	5,205
Fixed rate	868	182	377	-	1,427
Variable rate	963	94,310	-	-	95,273
Total non-derivatives	7,026	94,502	377	-	101,905
Derivatives					
Fixed rate	(405)	(405)	(88)	-	(898)

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

MATURITY OF FINANCIAL LIABILITIES (CONTINUED)

31 July 2024	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash flow
Non-derivatives					
Non-interest bearing	4,682	-	-	-	4,682
Fixed rate	1,051	294	398	-	1,743
Variable rate	-	-	95,865	-	95,865
Total non-derivatives	5,733	294	96,263	-	102,290
Derivatives					
Fixed rate	(405)	(405)	421	-	(389)

Fair value estimation risk

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

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

31 July 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial 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
Financial assets – designated at fair values through profit or loss				
Investments – Private equities	-	-	5,231	5,231
Investments – Investment properties	-	-	189,001	189,001
Total	35,256	898	202,509	238,663

31 July 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets – designated at fair value through other comprehensive income				
Investments – Australian equities	30,373	-	7,629	38,002
Investments – Global equities	2,965	-	1,537	4,502
Derivatives	-	372	-	372
Financial assets – designated at fair values through profit or loss				
Investments – Private equities	-	-	5,199	5,199
Investments – Investment properties	-	-	190,148	190,148
Total	33,338	372	204,513	238,223

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

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 July 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.

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value hierarchy (continued)

Valuation techniques used to determine fair values
Specific valuation techniques used to determine fair value include:

- The fair value of listed Australian and global equities is based on quoted market prices at the reporting date.
- The fair value of directly held unlisted Australian and global 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 derivatives is determined on the present value of future expected cash flows.

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

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

Reconciliation of level 3 fair value movements	31 July 2024 \$'000	31 July 2023 \$'000
Opening balance	202,509	221,015
Transfers from loans	348	400
Purchases	3,579	4,652
Sales	-	(9,253)
Amortisation and depreciation	(714)	(462)
Loss recognised to profit and loss	(506)	(12,992)
Loss recognised to other comprehensive income	(703)	(851)
Closing balance	204,513	202,509

Gains and losses on Australian 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.

Gains and losses of private equities and investment properties are presented net as other income in the consolidated statement of profit or loss.

- Equities - refer to note 15
- Private equities - refer to note 16
- Investment properties - refer to note 18

Refer to the following notes for reconciliation of individual classes of assets:

- 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.
- 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.

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

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

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 18 for further disclosures pertaining to these inputs.

2024 was a gain of \$110,000 (2023: a gain of \$380,000) recognised in profit or loss.

The Group holds ‘Direct Private Equity’ investments in unlisted private companies which have been valued using the Board and management’s best estimation of market value. The valuation considerations for managed private equity are applied to direct private equity based on recent shares issued and net assets of underlying investments, liquidity and minority shareholder provisions.

Investment property

Investment property valuations are estimated by the board and management with reference where possible to external valuations, market appraisals, recent comparable sales, date of purchase and capitalisation rate valuations. The impact on profit or loss relating to the revaluation of investment properties was a loss of \$319,000 (2023: loss of \$13,271,000).

4. SEGMENT INFORMATION

The Group comprises of the following business segments, based on the group’s management reporting systems:		
<ul style="list-style-type: none">• Cash and fixed interest• Equities• Private equities• Investment properties• Development properties• Surf Hardware International business• Other		
For the year ended	31 July 2024 \$'000	31 July 2023 \$'000
Segment revenue		
Cash and fixed interest – interest received	709	360
Equities – dividends and option income received	768	1,392
Private equities – distributions received	65	104
Investment properties – rent received	19,041	18,646
Development properties – realised gains on disposal	8,788	7,950
Surf Hardware International business – sale of goods	37,715	42,749
	67,086	71,201
Segment other income		
Private equities – realised and unrealised gains	(214)	294
Investment properties –realised and unrealised gains	(341)	(13,286)
Other	912	1,077
	357	(11,915)
Total segment revenue and other income	67,443	59,286
For the year ended	31 July 2024 \$'000	31 July 2023 \$'000
Segment profit and loss		
Cash and fixed interest	709	360
Equities	768	1,392
Private equities	(149)	398
Investment properties	4,392	(8,272)
Development properties	4,468	3,408
Surf Hardware International business	(4,193)	(1,258)
Other	(6,404)	(5,630)
Total segment result	(409)	(9,602)
Income tax benefit / (expense)	370	4,317
Net (loss) / profit after tax	(39)	(5,285)

4. SEGMENT INFORMATION (CONTINUED)

For the year ended	31 July 2024 \$'000	31 July 2023 \$'000
Revenue from external customers by geographical region		
Australia	39,076	39,978
United States of America	11,876	12,449
Japan	5,693	7,318
Europe	8,899	9,600
Total revenue from external customers	65,544	69,345
The Group only derives revenue from external customers in the investment properties, development properties and Surf Hardware International business segments.		
As at	31 July 2024 \$'000	31 July 2023 \$'000
Segment assets		
Cash and fixed interest	18,327	17,394
Equities	42,505	43,533
Private equities	5,198	5,231
Investment properties	190,148	189,001
Development properties	28,158	23,195
Surf Hardware International business	21,555	21,045
Unallocated assets	16,111	22,881
Total assets	322,002	322,280
Segment liabilities		
Investment properties	95,865	90,175
Surf Hardware International business	4,812	5,043
Unallocated liabilities	27,070	31,710
Total liabilities	127,747	126,928
Non-current assets by geographical region		
Australia	275,910	264,990
United States of America	5,190	9,886
Japan	578	770
Europe	780	1,178
Total non-current assets	282,458	276,824

4. SEGMENT INFORMATION (CONTINUED)

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

Accounting policies

Segment information is prepared in conformity with the accounting policies of the Group as disclosed in note 1.

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

All segments other than Surf Hardware International business segment

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

Surf Hardware International business segment

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

Segment cash flows

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

5. OPERATING PROFIT

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

6. INCOME TAX EXPENSE

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

7. CASH AND CASH EQUIVALENTS

As at	31 July 2024 \$'000	31 July 2023 \$'000
Cash at bank and on hand	18,327	17,394

8. CURRENT INVENTORIES

At cost or net realisable value		
Raw materials and finished goods	10,368	12,571
Balance at end of year	10,368	12,571

9. CURRENT TRADE AND OTHER RECEIVABLES

Trade debtors	5,900	7,136
Less: expected credit losses	(235)	(302)
Balance at end of year	5,665	6,834

10. CURRENT LOANS RECEIVABLES

Loan receivables	100	137
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11. CURRENT DEVELOPMENT PROPERTIES

At cost or net realisable value		
Balance at beginning of year	6,332	-
Cost of goods	(3,703)	-
Transfer from non-current investment properties	-	6,332
Balance at end of year	2,629	6,332

12. TAX RECEIVABLES

As at	31 July 2024 \$'000	31 July 2023 \$'000
Tax receivable	1,089	854

13. OTHER CURRENT ASSETS

Prepayments	3,327	1,334
Other	1	-
Balance at end of year	3,328	1,334

14. NON-CURRENT LOAN RECEIVABLES

Loan receivables	400	363
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Interest on loans are charged at commercial interest rates.

15. NON-CURRENT EQUITIES

At fair value through other comprehensive income		
Balance at beginning of year	43,533	45,808
Revaluation to fair value	4,336	1,794
Additions	3,358	2,790
Transfers	-	400
Impairments	(30)	-
Disposal proceeds	(8,692)	(7,259)
Balance at end of year	42,505	43,533

Changes in fair value of equities are recorded in equity.

16. NON-CURRENT PRIVATE EQUITIES

At fair value through profit or loss		
Balance at beginning of year	5,231	4,646
Revaluation to fair value	35	380
Additions	155	314
Disposal proceeds	(143)	(23)
Net (loss) / gain on disposal	(79)	(86)
Balance at end of year	5,199	5,231

Changes in fair values of private equities at fair value through the profit or loss are recorded in other income.

17. NON-CURRENT DEVELOPMENT PROPERTIES

At cost or net realisable value		
Balance at beginning of year	23,195	30,206
Additions	2,333	3,863
Disposal proceeds	-	(7,950)
Net gain on disposal	-	3,408
Transfer to current development properties	-	(6,332)
Balance at end of year	25,528	23,195

18. NON-CURRENT INVESTMENT PROPERTIES

As at	31 July 2024 \$'000	31 July 2023 \$'000
At fair value		
Balance at beginning of year	189,001	205,324
Additions	2,195	3,120
Disposal proceeds	-	(5,696)
Net loss on disposal	(341)	(15)
Amortisation on incentives	(707)	(461)
Net loss from fair value adjustment	-	(13,271)
Balance at end of year	190,148	189,001

Amounts recognised in profit of loss for investment properties

Rental revenue	19,041	18,646
Direct operating expenses from rental generating properties	(8,465)	(8,218)
Net loss on disposal	(341)	(15)
Net loss on revaluation	-	(13,271)
	10,235	(2,858)

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

	Valuation Method	Weighted average cap rate 2024	Weighted average cap rate 2023	31 July 2024 \$'000	31 July 2023 \$'000
Sub-regional and neighbourhood shopping centres (Coffs Central, Port Central and Kempsey Central)	(a)	7.42%	7.23%	189,031	187,885
Other properties	(b)			1,117	1,116
				190,148	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 property. The higher the capitalisation rate, the lower the fair value.

Capitalisation rates used and the fair value adopted for each property at 31 July 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 July 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.

19. NON-CURRENT PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles \$'000	Furniture, fittings & equipment \$'000	Total \$'000
Year ended 31 July 2023			
Opening net book amount	429	3,980	4,409
Additions	38	1,665	1,703
Disposals	-	(9)	(9)
Depreciation charge	(76)	(733)	(809)
Closing net book amount	391	4,903	5,294
At 31 July 2023			
Cost	870	12,707	13,577
Accumulated depreciation	(479)	(7,804)	(8,283)
Net book amount	391	4,903	5,294
Year ended 31 July 2024			
Opening net book amount	391	4,903	5,294
Additions	43	2,138	2,181
Reclassification	(10)	10	-
Depreciation charge	(72)	(725)	(797)
Closing net book amount	352	6,325	6,677
At 31 July 2024			
Cost	715	12,728	13,443
Accumulated depreciation	(363)	(6,403)	(6,766)
Net book amount	352	6,325	6,677

20. NON-CURRENT INTANGIBLES

Year ended 31 July 2023			
Opening net book amount	2,383	1,375	3,758
Additions	-	2	2
Amortisation	-	(50)	(50)
Closing net book amount	2,383	1,327	3,710
Cost	2,383	2,867	5,250
Accumulated depreciation	-	(1,540)	(1,540)
Net book amount	2,383	1,327	3,710
Year ended 31 July 2024			
Opening net book amount	2,383	1,327	3,710
Additions	-	594	594
Amortisation	-	(130)	(130)
Impairment	(500)	-	(500)
Closing net book amount	1,883	1,791	3,674
Fair value / cost	1,883	3,461	5,344
Accumulated depreciation	-	(1,670)	(1,670)
Net book amount	1,883	1,791	3,674

20. NON-CURRENT INTANGIBLES (CONTINUED)

Intangible assets, other than goodwill and brand names have finite useful lives. Goodwill and brand names have an indefinite useful life. Goodwill and brand names are allocated to the Surf Hardware International business segment (“the cash-generating unit”).	The Group tests whether goodwill and brand names have suffered any impairment at each reporting period. The recoverable amount of the cash-generating unit is determined based on either value-in-use calculations or the estimated fair value less costs to sell.
Goodwill, brand names and patents	Five year projected cash flows in respect of the Surf Hardware International business segment are \$20m. Key assumptions include: (a) 10% discount rate; (b) 2.6% per annum projected net revenue growth rate; (c) 1.3% per annum increase in operating expenses; and (d) 3.5% terminal growth rate. Based on these assumptions the Directors determined an impairment charge of \$500,000 be recognised during the current reporting period.
The recoverable amount of the cash-generating unit is based on value-in-use of the Surf Hardware International business segment which is calculated based on the present value of cash flow projections over a five year period with the period extending beyond four years extrapolated using an estimated growth rate.	

21. NON-CURRENT RIGHT OF USE ASSETS

	Land and buildings \$'000	Motor vehicles \$'000	Equipment \$'000	Total \$'000
Year ended 31 July 2023				
Opening net book amount	1,609	29	75	1,713
Additions	586	-	-	586
Lease modifications	-	-	-	-
Foreign exchange movements	-	-	-	-
Depreciation charge	(917)	(19)	(30)	(966)
Closing net book amount	1,278	10	45	1,333
At 31 July 2023				
Cost	5,587	106	105	5,798
Accumulated depreciation	(4,309)	(96)	(60)	(4,465)
Net book amount	1,278	10	45	1,333
Year ended 31 July 2024				
Opening net book amount	1,278	10	45	1,333
Additions	959	18	16	993
Lease modifications	-	-	-	-
Foreign exchange movements	-	-	-	-
Depreciation charge	(944)	(27)	(24)	(995)
Closing net book amount	1,293	1	37	1,331
At 31 July 2024				
Cost	7,283	120	114	7,517
Accumulated depreciation	(5,990)	(119)	(77)	(6,186)
Net book amount	1,293	1	37	1,331

Additional information regarding leases	
The Group leases land and buildings for its offices and retail operations which have lease terms of between one and five years with, in some cases, options to extend. On renewal, the terms of the leases are renegotiated. The Group also leases motor vehicles and equipment under agreements of between one to five years.	party, the right of use asset can only be used by the Group.
Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another	The Group's leases include extension and termination options which are exercisable by the Group. These clauses provide the Group opportunities to manage leases in order to align with its strategies. The extension and termination options which were reasonably certain to be exercised are included in the calculation of the right-to-use asset.

22. DERIVATIVES

As at	31 July 2024 \$'000	31 July 2023 \$'000
Derivatives	372	898
Balance at end of year	372	898

23. DEFERRED TAX ASSETS

As at	31 July 2024 \$'000	31 July 2023 \$'000
The balance comprises temporary differences attributable to:		
Employee benefits	297	154
Accruals	107	202
Equities	-	221
Derivatives	-	12
Tax losses	(91)	184
Other	934	698
Net deferred tax assets	1,247	1,471
Movements:		
Opening balance at 1 August	1,471	1,701
Debited to profit or loss	(224)	(230)
Closing balance at 31 July	1,247	1,471
Deferred tax assets to be recovered within 12 months	704	386
Deferred tax assets to be recovered after 12 months	543	1,085
	1,247	1,471

24. OTHER NON-CURRENT ASSETS

As at	31 July 2024 \$'000	31 July 2023 \$'000
Other assets	3,415	2,795

25. CURRENT TRADE AND OTHER PAYABLES

Trade creditors	1,829	1,886
Other creditors and accruals	2,853	3,309
Balance at end of year	4,682	5,195

26. CURRENT BORROWINGS

Commercial advance facility - secured	-	963
Balance at end of year	-	963

Risk	believes it has the ability to repay any outstanding debt under these facilities from excess cash reserves, proceeds received from the disposal of assets or from cash sourced or raised through the Group's operating or financing activities.
The Group's exposure to interest rate changes arising from current and non-current borrowings is set out in note 2.	
Refinancing / Repayment	Security
The Group expects to renew or refinance current borrowing facilities on normal commercial terms and rates that are acceptable to the Group prior to the respective repayment dates. Alternatively, the Group	Information about the security relating to each of the secured liabilities and the fair value of each of the borrowings is provided in note 29.

As at	31 July 2024 \$'000	31 July 2023 \$'000
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27. CURRENT LEASE LIABILITIES

Lease liabilities	1,051	868
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28. CURRENT PROVISIONS

Employee entitlements	819	812
Balance at end of year	819	812

29. NON-CURRENT BORROWINGS

As at	31 July 2024 \$'000	31 July 2023 \$'000
Bills payable - secured	95,865	94,310

Risk	The Group's exposure to interest rate changes arising from current and non-current borrowings is set out in note 2.
Security	Details of the security relating to each of the secured liabilities and further information on banks loans are set out below.

Total secured liabilities		
The total secured liabilities (current and non-current) are as follows:		
Bills payable – secured ¹	95,865	94,310
Commercial advance facility – secured ²	-	986
	95,865	95,296

¹\$95.865 million bill is secured against the Gowings Wholesale Property Fund (the “Fund”). Interest on the outstanding principal of the bill is charged at BBSY plus a line fee of 1.90%. The lender requires that the Fund meet certain financial ratios at 31 July 2024, the Fund must have a minimum interest coverage ratio of 1.65 times and the facility is not to exceed 55% of the aggregate value of the of the latest bank accepted valuations of the Shopping Centers.

As at	31 July 2024 \$'000	31 July 2023 \$'000
Financing Arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
Total facilities		
Secured bill facilities	95,865	106,000
Secured commercial advance facility	-	2,000
	95,865	108,000
Used at balance date		
Secured bill facilities	95,865	94,310
Secured commercial advance facility	-	986
	95,865	95,296
Unused at balance date		
Secured bill facilities ¹	-	11,690
Secured commercial advance facility	-	1,014
	-	12,704

Off-balance sheet	There are no off-balance sheet borrowings or related contingencies.
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30. NON-CURRENT LEASE LIABILITY

As at	31 July 2024 \$'000	31 July 2023 \$'000
Lease liabilities	692	559

31. NON-CURRENT PROVISIONS

Employee entitlements	311	301
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32. DEFERRED TAX LIABILITIES

The balance comprises temporary differences attributable to:		
Prepayments	134	100
Intangibles	189	315
Investment properties	18,489	17,443
Equities	4,823	5,094
Other	692	958
Net deferred tax liabilities	24,327	23,910
Movements:		
Opening balance at 1 August	23,910	26,508
Credited to profit or loss	(414)	(3,429)
Charged to equity	831	831
Closing balance at 31 July	24,327	23,910
Deferred tax liabilities to be settled within 12 months	345	100
Deferred tax liabilities to be settled after 12 months	23,982	23,810
	24,327	23,910

33. CONTRIBUTED EQUITY

	Number of shares 2024	Number of shares 2023	2024 \$'000	2023 \$'000
Share capital				
Ordinary shares fully paid	53,016,693	53,311,125	11,113	11,781

Movements in ordinary share capital – for the year ended 31 July 2024

Date	Details	Number of shares	Issue price per share	\$'000
31/07/2023	Balance	53,311,125		11,781
09/10/2023	Share buy-back	(50,000)	\$2.29	(115)
12/01/2024	Share buy-back	(157,480)	\$2.28	(359)
24/01/2024	Share buy-back	(37,152)	\$2.24	(83)
14/02/2024	Share buy-back	(49,800)	\$2.24	(111)
		53,016,693		11,113

Movements in ordinary share capital – for the year ended 31 July 2023

Date	Details	Number of shares	Issue price per share	\$'000
31/07/2022	Balance	53,311,125		11,781
		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.

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 is suspended for the final dividend declared on 30 September 2024.

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

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

Capital risk management

The Company’s objective when managing capital is to safeguard the ability to continue as a going concern, so that continued returns to shareholders and benefits for other stakeholders can be provided while maintaining an optimal capital structure.

34. RESERVES

As at	31 July 2024 \$'000	31 July 2023 \$'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	11,886	9,590
Fair value adjustments on equities		
- Equities	4,919	1,794
- Deferred tax applicable to fair value adjustments	(1,475)	(539)
- Transfer of losses on sale of equity instruments at fair value through comprehensive income to retained profits, net of tax	(3,260)	1,041
Closing balance	12,070	11,886
Foreign currency translation reserve³		
Opening balance	704	216
Exchange differences on translation of foreign operations	(159)	488
Closing balance	545	704
Hedging reserve - Cash flow hedges⁴		
Opening balance	683	-
Changes in hedges held at fair value through other comprehensive income		
• Changes in fair value of cash flow hedges	(486)	975
• Deferred tax applicable to fair value adjustments	-	(292)
Closing balance	197	683
Total reserves	103,314	103,776

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 on equities held at fair value through other comprehensive income.

³ The foreign currency translation reserve records exchange rate differences arising on translation differences on foreign controlled subsidiaries.

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

35. DIVIDENDS

As at	31 July 2024 \$'000	31 July 2023 \$'000
Ordinary shares		
2023 final dividend of 3.0 cents (2022: 4.0 cents interim) per share	1,599	2,133
2024 interim dividend of 3.0 cents (2023: 3.0 cents interim) per share	1,590	1,599
Total dividends declared	3,189	3,732
Dividends paid in cash	3,189	3,732
Dividends paid via Dividend Reinvestment Plan	-	-
	3,189	3,732

Franked dividends declared and paid during the year were fully franked at the tax rate of 30% (2023: 30%).

Dividends declared after year end

Subsequent to year end the Directors have declared the payment of a final dividend of 3.45 cents per ordinary share fully franked based on tax paid at 30%. The dividend is payable on 5 November 2024 out of retained profits at 31 July 2024.

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

Franked dividends

The franked portions of the final dividends declared after 31 July 2024 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 31 July 2024.

Franking credits available for subsequent financial years (tax paid basis)	3,728	4,760
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The above amounts are based on the balance of the franking account at year end, adjusted for:

- (a) franking credits that will arise from the payment of the current tax receivable;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- (d) franking credits that may be prevented from being distributed in subsequent financial years.

36. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by William Buck the auditor of the company:

	31 July 2024 \$	31 July 2023 \$
Audit services – William Buck		
Audit and review – group	127,000	123,500
Audit and review – controlled entities	146,900	50,500
Other services – William Buck		
Financial review	13,500	5,250
	287,400	179,250

37. COMMITMENTS FOR EXPENDITURE

Capital commitments – Private equities

The Group has uncalled capital commitments of up to \$3,064,000 (2023: \$3,205,000) in relation to private equity and property fund investments held at year end.

Capital commitments – Development properties

The Group has capital commitments of \$nil (2023: \$nil) in relation to construction works on development properties at year end.

38. RELATED PARTIES

Directors

The names of persons who were Directors of Gowing Bros. Limited at any time during the financial year were J. E. Gowing, J. G. Parker, J. E. Davis, J. E. Gowing and S. J. Clancy.

Those persons that were also Directors during the year ended 31 July 2024.

Remuneration

Information on remuneration of Directors and other key management personnel is disclosed in the remuneration repot.

	31 July 2024	31 July 2023
	\$	\$
Directors and other key management personnel		
Short-term employee benefits	508,552	487,475
Post-employment benefits	50,456	60,074
Long-term benefits	9,930	4,499
	568,938	552,048

Detailed remuneration disclosures can be found in the remuneration report on pages 24 to 26.

Movement in shares

Key management person	Shares held* at 31-Jul-22 No.	Shares acquired/ (disposed) during the year No.	Shares held* at 31-Jul-23 No.	Shares acquired/ (disposed) during the year No.	Shares held* at 31-Jul-24 No.
J. E. Gowing*	20,990,202	3,546	20,993,748	-	20,993,748
J. G. Parker	57,306	-	57,306	-	57,306
S. J. Clancy	5,000	-	5,000	-	5,000
J. E. Davis	-	-	-	5,000	5,000
J. E. Gowing (James)	64,504	-	64,504	-	64,504

*Directly and indirectly

Other key management personnel did not hold shares in the Company.

Receivables and payables from Directors and Executives

Key management person	Transaction type	31 July 2024	31 July 2023
		\$	\$
J. E. Gowing	Receivable – Audley Investments Pty Ltd	17,380	55,196
J. E. Gowing	Payable – Gowings Whale Trust	(88,472)	(59,232)

Transactions with Key Management Personnel and Directors

Key management person	Transaction type	31 July 2024	31 July 2023
		\$	\$
E. J. Gowing	Operational / marketing services	58,085	-

38. RELATED PARTIES (CONTINUED)

The sons of Mr J E Gowing provided operational services during the year on an employment basis totalling \$193,085 (2023: \$72,378), and associate director services totalling \$nil (2022: \$5,259).

Other related party transactions

Key management person	Transaction type	31 July 2024	31 July 2023
		\$	\$
J. E. Gowing	Donations – Whale Trust	547,717	413,252
J. E. Gowing	Professional fees – Audley Investments Pty Ltd	17,380	50,178

There were no other transactions with Directors and Director related entities and Executives.

39. 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 % 2024	Ownership Interest % 2023
Pacific Coast Developments 357 Pty Ltd	Australia	100	100
Pacific Coast Developments 357 Fund	Australia	99.9	99.9
1868 Capital Pty Ltd	Australia	100	100
Pacific Coast Developments 112 Fund	Australia	99.9	99.9
Gowings SHI Pty Ltd	Australia	99.9	99.9
SHI Holdings Pty Ltd	Australia	99.9	99.9
Fin Control Systems Pty Ltd	Australia	99.9	99.9
Surfing Hardware International Holdings Pty Ltd	Australia	99.9	99.9
Surf Hardware International Asia Pty Ltd	Australia	99.9	99.9
Surf Hardware International Europe SARL	France	99.9	99.9
Surf Hardware International UK Ltd	England	99.9	99.9
OZ4U Holdings Pty Ltd	Australia	99.9	99.9
Sunbum Technologies Pty Ltd	Australia	99.9	99.9
Surfing Hardware International USA Inc.	United States of America	99.9	99.9
Surf Hardware International USA Inc.	United States of America	99.9	99.9
Surf Hardware International Hawaii Inc.	United States of America	99.9	99.9
Surf Hardware International Japan KK	Japan	99.9	99.9
Surf Hardware International Pty Ltd	Australia	99.9	99.9
Surf Hardware International New Zealand Pty Ltd	New Zealand	99.9	99.9
Gowings Master Trust	Australia	100	100
1868 High Yield Trust	Australia	100	100
Gowings Life Sciences Trust	Australia	100	100
Gowing Bros Management Services Pty Ltd	Australia	100	100
Coastbeat Pty Ltd	Australia	100	100
Gowings Wholesale Property Fund	Australia	100	100
Coffs Central Pty Ltd	Australia	100	100
Coffs Central Sub-Trust	Australia	100	100
Port Central Pty Ltd	Australia	100	100
Port Central Sub-Trust	Australia	100	100
Kempsey Central Pty Ltd	Australia	100	100
Kempsey Central Sub-Trust	Australia	100	100

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

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

Significant Restrictions

Other than certain assets pledged as security detailed in note 29, there are no significant restrictions over the Group’s ability to access or use assets, and settle liabilities, of the Group

40. SHARE BASED PAYMENTS

The Deferred Employee Share Plan has been in operation since 2006 which allows fully paid ordinary shares to be issued for no cash consideration from shares held by the Plan. All Australian resident permanent employees and non-executive Directors are eligible to participate in the scheme. Employees may elect not to participate in the scheme.

Shares are acquired on-market prior to the issue. Shares issued under the scheme may not be sold until the earlier of three years after issue or cessation of employment of the Group. In all other respects the shares rank equally with other fully-paid ordinary shares on issue.

Options

Nil options were on issue at year end (2023: Nil).

41. EARNINGS PER SHARE

	31 July 2024	31 July 2023
Basic earnings per share (cents)	(0.07)c	(9.91)c
Diluted earnings per share (cents)	(0.07)c	(9.91)c
Weight average number of ordinary shares on issue	53,142,158	53,311,125
Net loss after tax	(\$39,000)	(\$5,285,000)

42. PARENT ENTITY INFORMATION

The following information has been extracted from the books and records of the Company and has been prepared in accordance with Australian Accounting Standards:

Statement of Financial Position

	31 July 2024 \$'000	31 July 2023 \$'000
Assets		
Current assets	18,083	14,764
Non-current assets	199,331	295,556
Total assets	217,414	310,320
Liabilities		
Current liabilities	1,654	2,091
Non-current liabilities	23,899	118,431
Total liabilities	25,553	120,522
Net assets	191,861	189,798
Equity		
Issued capital	11,113	11,781
Capital profits reserve	90,503	90,503
Long term investment revaluation reserve	12,421	12,290
Asset revaluation reserve	-	683
Retained earnings	77,824	74,541
Total equity	191,861	189,798

Statement of Profit or Loss and other Comprehensive Income

Net loss after income tax	(3,211)	(5,810)
Total comprehensive (loss) / income	(552)	3,382

Parent entity contractual commitments

The Company has no contractual commitments other than uncalled capital commitments for private equities and development properties as noted in note 37 (2023: Uncalled capital commitments for private equities and development properties as noted in note 37).

Parent entity contingent liabilities

The Company has nil contingent liabilities at year end (2023: nil).

Parent entity guarantees in respect to debts of its subsidiaries

The Company has not entered into any guarantees in respect to debts of its subsidiaries at year end (2023: nil).

43. RECONCILIATION OF NET PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31 July 2024 \$'000	31 July 2023 \$'000
Loss from ordinary activities after income tax	(39)	(5,285)
Amortisation of lease incentives	708	461
Depreciation and amortisation	1,923	1,825
Net loss on the sale of private equities	222	86
Net loss on the sale of investment properties	341	15
Net gain on the sale of development properties	(5,085)	(3,408)
Revaluation of investment properties to fair value	-	13,271
Revaluation of private equities to fair value	(35)	(380)
Revaluation of derivatives to fair value	525	77
Decrease / (increase) in receivables	1,169	(20)
(Increase) / decrease in prepayments	(2,030)	110
Decrease in inventories	2,203	369
Decrease in income taxes	(1,556)	(6,063)
Increase / (decrease) in provisions	18	(415)
Other (FX)	2,095	-
Write off of intangibles	500	-
(Decrease) / increase in trade creditors and accruals	(523)	833
Net cash inflows from operating activities	436	1,476

44. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities from financing activities	Opening balance – 31 July 2023	Cash flows from financing activities	Gain on disposal	Additions and lease modifications	Closing balance – 31 July 2024
Borrowings ¹	95,273	592 ³	-	-	95,865
Lease liabilities ²	1,427	(1,928)	-	2,244	1,743
¹ Relates to current and non-current borrowings.					
² Relates to current and non-current lease liabilities.					
³ Relates to the following cash flows from financing activities for the year ended 31 July 2024:					
- Proceeds from borrowings					95,865
- Repayments of borrowings					(95,273)
					592

45. SUBSEQUENT EVENTS

The following subsequent events have occurred subsequent to the end of the financial year:

1. The Group has announced a dividend since the end of the year which has been included in Note 35.

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.

46. OTHER INFORMATION

Gowing Bros. Limited is incorporated and domiciled in New South Wales. The registered office, and principal place of business, is Suite 303, 35-61 Harbour Drive, Coffs Harbour, NSW, 2450.

Phone: 61 2 9264 6321
Facsimile: 61 2 9264 6240
Email: info@gowings.com
Website: www.gowings.com

Gowing Bros. Limited shares are listed on the Australian Securities Exchange.

The share register is maintained by Computershare Investor Services Pty. Limited, Level 3, 60 Carrington Street, Sydney NSW 2000, Telephone 1300 855 080, Overseas callers +61 (0)2 8234 5000, Facsimile + 61 (0)2 8234 5050

CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 31 JULY 2024

Name of entity	Type of entity	Country of Incorporation	Ownership %	Trustee, partner or participant in a joint venture	Australian resident or foreign resident	Foreign jurisdiction of foreign resident
Gowing Bros Limited	Body corporate	Australia	100	n/a	Australian	n/a
Pacific Coast Developments 357 Pty Ltd	Body corporate	Australia	100	Trustee of Pacific Coast Developments 357 Fund, 1868 High Yield Trust, Gowings Life Sciences Trust	Australian	n/a
Pacific Coast Developments 357 Fund	Trust	Australia	99.9	n/a	Australian	n/a
1868 Capital Pty Ltd	Body corporate	Australia	100	Trustee of Pacific Coast Developments 357 Fund, 1868 High Yield Trust, Gowings Life Sciences Trust	Australian	n/a
Pacific Coast Developments 112 Fund	Trust	Australia	99.9	n/a	Australian	n/a
Gowings SHI Pty Ltd	23/10/24	Australia	99.9	n/a	Australian	n/a
SHI Holdings Pty Ltd	Body corporate	Australia	99.9	n/a	Australian	n/a
Fin Control Systems Pty Ltd	Body corporate	Australia	99.9	n/a	Australian	n/a
Surfing Hardware International Holdings Pty Ltd	Body corporate	Australia	99.9	n/a	Australian	n/a
Surf Hardware International Asia Pty Ltd	Body corporate	Australia	99.9	n/a	Australian	n/a
Surf Hardware International Europe SARL	Body corporate	France	99.9	n/a	Australian	n/a
Surf Hardware International UK Ltd	Body corporate	England	99.9	n/a	Foreign	France
OZ4U Holdings Pty Ltd	Body corporate	Australia	99.9	n/a	Foreign	England
Sunbum Technologies Pty Ltd	Body corporate	Australia	99.9	n/a	Australia	n/a
Surfing Hardware International USA Inc.	Body corporate	USA	99.9	n/a	Foreign	n/a
Surf Hardware International USA Inc.	Body corporate	USA	99.9	n/a	Foreign	USA
Surf Hardware International Hawaii Inc.	Body corporate	USA	99.9	n/a	Foreign	USA
Surf Hardware International Japan KK	Body corporate	Japan	99.9	n/a	Foreign	USA
Surf Hardware International Pty Ltd	Body corporate	Australia	99.9	n/a	Foreign	Japan
Surf Hardware International New Zealand Pty Ltd	Body corporate	New Zealand	99.9	n/a	Foreign	n/a
Gowings Master Trust	Trust	Australia	100	n/a	Foreign	New Zealand
1868 High Yield Trust	Trust	Australia	100	n/a	Australian	n/a
Gowings Life Sciences Trust	Trust	Australia	100	n/a	Australian	n/a
Gowing Bros Management Services Pty Ltd	Body corporate	Australia	100	n/a	Australian	n/a
Coastbeat Pty Ltd	Body corporate	Australia	100	n/a	Australian	n/a
Gowings Wholesale Property Fund	Body corporate	Australia	100	n/a	Australian	n/a
Coffs Central Pty Ltd	Body corporate	Australia	100	Trustee of Coffs Central Sub-Trust	Australian	n/a
Coffs Central Sub-Trust	Trust	Australia	100	n/a	Australian	n/a
Port Central Pty Ltd	Body corporate	Australia	100	Trustee of Port Central Sub-Trust	Australian	n/a
Port Central Sub-Trust	Trust	Australia	100	n/a	Australian	n/a
Kempsey Central Pty Ltd	Body corporate	Australia	100	Trustee of Kempsey Central Sub-Trust	Australian	n/a
Kempsey Central Sub-Trust	Trust	Australia	100	n/a	Australian	n/a

DIRECTORS’ DECLARATION

1. In the directors’ opinion:
- (a) the consolidated financial statements and notes set out on pages 27 to 61 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group’s financial position as at 31 July 2024 and of its performance for the financial year ended on that date; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The notes to the consolidated financial statements include a statement of compliance with International Financial Reporting Standards.
3. The directors have been given the declarations by the chief executive officer and chief financial officer for the year ended 31 July 2024 required by section 295A of the Corporations Act 2001.
4. The consolidated entity disclosure statement required by 295A of the Corporation Act 2001 is true and correct as at 31 July 2024.

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



J. E. Gowing
Executive Chairman and
Managing Director

Coffs Harbour, NSW
28 October 2024

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

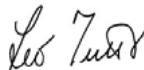
To the directors of Gowing Bros. Limited

As lead auditor for the audit of Gowing Bros. Limited for the year ended 31 July 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 audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit, including APES 110 “*Code of Ethics for Professional Accountants (Including Independence Standards)*”.



William Buck
Accountants & Advisors
ABN: 16 021 300 521



L. E. Tutt
Partner
Sydney, 28 October 2024

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Liability limited by a scheme approved under Professional Standards Legislation.



Independent auditor’s report to the members of Gowing Bros. Limited

Report on the audit of the financial report

Our opinion on the financial report
In our opinion, the accompanying financial report of Gowing Bros. Limited (the Company) and its subsidiaries (the Group) is in accordance with the Corporations Act 2001, including:
- giving a true and fair view of the Group’s financial position as at 31 July 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

What was audited?
We have audited the financial report of the Group, which comprises:
- the consolidated statement of financial position as at 31 July 2024,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors’ declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards¹. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit 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 & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of subregional and neighbourhood shopping centre investment properties	Area of focus (refer also to note 18) The Group has subregional and neighbourhood shopping centre investment properties as at 31 July 2024 totalling \$190 million. The valuation of the Group’s investment properties requires significant judgement and the use of subjective assumptions and estimates in determining fair value, including selecting the appropriate valuation methodology, market rental rates, vacancy allowances and capitalisation rates. Due to the significant value attached to the investment properties in Group’s consolidated financial statements, level of significant judgements and assumptions applied to determine the fair value of the Group’s investment properties, this is considered to be a key audit matter.	How our audit addressed the key audit matter Our audit procedures included: - Assessing the competence, capability, experience, independence and objectivity of external valuers appointed by management. - Evaluating the valuation methodology applied. - Testing the reliability and reasonableness of inputs to underlying contracts and supporting documentation. - Testing the appropriateness of assumptions and estimates with reference to historical rates and results, available market data, market conditions and other supporting documentation. We have also assessed the adequacy of the Group’s disclosures with relevance to the Australian Accounting Standards.
Valuation of unlisted equities	Area of focus (refer also to notes 15 and 16) The Group has investments of \$14.4 million in a number of unlisted equities at 31 July 2024, which have been included in the Group’s consolidated statement of financial position. Management assesses the value of these investments at least annually, using various valuation techniques, such as recent arm’s length transactions, reference to other instruments that are similar in nature and other market evidence. Due to the significant judgement involved in assessing the valuation of these assets, this is considered a key audit matter.	How our audit addressed the key audit matter Our audit procedures included: - Assessing the valuation methodology applied by management. - Reviewing the valuation inputs including evidence of recent arm’s length transactions and agreeing these transactions to external sources. - Reviewing the market data and other financial information. We have also assessed the adequacy of the Group’s disclosures with relevant to Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 July 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards¹ and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

Report on the Remuneration Report



Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Gowing Bros. Limited, for the year ended 31 July 2024, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in pages 24 to 26 of the directors' report for the year ended 31 July 2024.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck
Accountants & Advisors
ABN: 16 021 300 521

L. E. Tutt
Partner
Sydney, 28 October 2024

GO.

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Issues to Shareholders Since 19 September 1985

Date	Particulars	Issued From	Issue Price \$
31/10/1985	Bonus issue in lieu	Asset Revaluation reserve	
30/04/1986	Bonus issue in lieu	Asset Revaluation reserve	
31/10/1986	Bonus issue in lieu	Asset Revaluation reserve	
16/03/1987	1 for 2 Bonus issue	Asset Revaluation reserve	
30/04/1987	Bonus issue in lieu	Asset Revaluation reserve	
30/04/1988	Dividend Re-investment	Accumulated profits	2.50
31/10/1988	Dividend Re-investment	Accumulated profits	3.70
30/04/1989	Dividend Re-investment	Accumulated profits	3.75
30/04/1989	Special Scrip dividend	Accumulated profits	
16/11/1989	Dividend Re-investment	Accumulated profits	4.35
31/10/1990	1 for 10 Bonus issue	Share Premium – Special Dividend Reserve	
31/10/1991	1 for 20 Bonus issue	Share Premium Reserve	
30/04/1992	Dividend Re-investment	Accumulated profits	3.75
31/10/1992	Dividend Re-investment	Accumulated profits	3.80
29/10/1993	Dividend Re-investment	Accumulated profits	3.60
29/04/1994	Dividend Re-investment	Accumulated profits	3.50
28/04/1995	Dividend Re-investment	Accumulated profits	2.60
28/04/1995	Bonus in Lieu Share Plan	Share Premium Reserve	
03/10/1995	1 for 10 Bonus issue	Share Premium Reserve	
31/10/1995	Dividend Re-investment	Accumulated profits	3.00
31/10/1995	Bonus in Lieu Share Plan	Share Premium Reserve	
26/04/1996	Dividend Re-investment	Accumulated profits	2.90
26/04/1996	Bonus in Lieu Share Plan	Share Premium Reserve	
30/10/1996	Dividend Re-investment	Accumulated profits	3.10
30/10/1996	Bonus in Lieu Share Plan	Share Premium Reserve	
25/04/1997	Dividend Re-investment	Accumulated profits	4.50
25/04/1997	Bonus in Lieu Share Plan	Share Premium Reserve	
15/05/1997	2 for 1 Share Split		
31/10/1997	Dividend Re-investment	Accumulated profits	2.60
31/10/1997	Bonus in Lieu Share Plan	Share Premium Reserve	
30/04/1998	Dividend Re-investment	Accumulated profits	2.35
30/04/1998	Bonus in Lieu Share Plan	Share Premium Reserve	
03/11/1998	Dividend Re-investment	Accumulated profits	2.10
03/11/1998	Bonus in Lieu Share Plan		
28/04/1999	Dividend Re-investment	Accumulated profits	1.90
28/04/1999	Bonus in Lieu Share Plan		
18/11/1999	Dividend Re-investment	Accumulated profits	1.95
18/11/1999	Bonus in Lieu Share Plan		
28/04/2000	Dividend Re-investment	Accumulated profits	1.95
28/04/2000	Bonus in Lieu Share Plan		
27/10/2000	Dividend Re-investment	Accumulated profits	1.80
27/04/2001	Dividend Re-investment	Accumulated profits	2.36
19/10/2001	Dividend Re-investment	Accumulated profits	1.95
18/12/2001	In Specie Distribution	G Retail Ltd shares issued on listing	
22/04/2002	Dividend Re-investment	Accumulated profits	1.90
25/10/2002	Dividend Re-investment	Accumulated profits	1.80
18/12/2002	Dividend Re-investment	Accumulated profits	1.95
24/04/2003	Dividend Re-investment	Accumulated profits	1.90
24/10/2003	Dividend Re-investment	Accumulated profits	2.40
24/10/2003	Bonus in Lieu Share Plan		
23/04/2004	Dividend Re-investment	Accumulated profits	2.40
23/04/2004	Bonus in Lieu Share Plan		
25/10/2004	Dividend Re-investment	Accumulated profits	2.55
22/04/2005	Dividend Re-investment	Accumulated profits	2.70
22/04/2005	Bonus in Lieu Share Plan		
17/07/2009	Dividend Re-investment	Accumulated profits	2.87
05/11/2010	Dividend Re-investment	Accumulated profits	2.42
17/12/2010	1 for 8 Rights issue	Share capital	2.20
05/11/2015	1 for 10 Bonus issue	Share capital	
13/11/2018	Dividend Re-investment	Accumulated profits	2.77
30/04/2019	Dividend Re-investment	Accumulated profits	2.52

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