



Enriching People's
Lives, since 1868

APPENDIX 4D | For the half-year ended 31 January 2022



G O W I N G B R O S

Investing together for a secure future

Gowing Bros. Limited

ABN 68 000 010 471

Suite 303, 35-61 Harbour Drive

Coffs Harbour, NSW, 2450

T: 61 2 9264 6321 F: 61 2 9264 6240

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half-year ended 31 January 2022 with the previous corresponding period being the half-year ended 31 January 2021 unless otherwise stated. The results have been reviewed by the Company's auditors.

DIVIDENDS		
Interim fully franked LIC dividend per share		3.0 cents
Special fully franked LIC dividend per share		1.0 cents
The record date for the interim dividend		8 April 2022
The payment date of the interim dividend		22 April 2022

REVENUE		
Total Revenue from Ordinary Activities	Up 14%	\$37.3 million

EARNINGS		
Operational Profit before tax	Down 20%	\$4.2 million
Gain on Private equities and investment properties		\$1.4 million
Other		<u>\$2.6 million</u>
Profit before Tax		\$8.2 million
Income Tax Expense		<u>\$1.0 million</u>
Profit after Tax attributable to members	Up 42%	<u>\$7.2 million</u>

NET ASSET PER SHARE		
Net Tangible Assets per share before tax on unrealised gains	Up 6%	\$4.12

COMMENTS

- (1) Total Revenue was up on the prior year, this was largely due to record sales recorded at Gowings Surf Hardware International
- (2) Profit After Tax increase to \$7.2 million. For more detail refer the profit and loss on page of the report.
- (3) Net assets per share before tax on unrealised gains on equities, investment properties, private equities and freehold properties increased to \$4.12 from \$3.89 during the half year 31 January 2022.
- (4) The board has elected to declare a final 3 cents per share fully franked LIC dividend and a special 1 cent dividend

Refer to the Managing Director's report for further details on the results and investments.

MANAGING DIRECTORS REPORT

WHAT HAPPENED TO SUMMER?

Another 6 months has passed, and we are still experiencing the 'on again, off again' COVID-19 isolation roulette. It has been a very difficult time for anyone to run a business, let alone a household. Now we are also grappling with the uncertainty of Europe on the brink of war and the highest set of "inflationary expectations" since I first started at Gowings in 1987.

Hopefully we have reached some sort of equilibrium with the pandemic, where we will achieve the holy grail of herd immunity and we can all go back to living normal lives again. The poor weather and the onset of Omicron certainly put a dampener on Christmas and summer trade in our shopping centres. In response to NSW Government's legislated retailer support package, Gowings as landlord provided approx. \$450,000 support to our qualifying retailers. This rental abatement has been offset against the prudent \$2 million provision we made for ongoing pandemic relief in last year's annual accounts.

There was a slight improvement in sentiment following half year end in January. Unfortunately, this was closely followed by the outbreak of War in Ukraine and associated escalating petrol prices, which are taking a chunk out of our customers discretionary spending dollar.

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

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

GOWINGS SURF HARDWARE INTERNATIONAL

Our wholly owned subsidiary Surf Hardware International (SHI) had another strong half year, contributing approx. \$2 million to continuing Gowings Group earnings for the half year. SHI is benefitting from the global trend of increased participation in the sport of surfing generally and by women in particular. The awareness around the sport was greatly helped by the inclusion of surfing as an Olympic Sport in the Japan Olympics last year for the first time.

SUSTAINABILITY PROGRAMME

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

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

SAWTELL COMMONS

Stage 3 at Sawtell Commons is nearing completion. There have been some unavoidable delays due to continuing wet weather and some of the contracting team isolating due to Covid. We are in the process of releasing and reselling part of this next stage. The market in Coffs Harbour for residential land is quite strong, we are optimistic of achieving solid sales results.

FLOODS NORTHERN RIVERS

At time of writing, Gowings is working with NSW Emergency Services to deliver targeted help in the form of Bunnings vouchers to some of those most in need. We have made a provision of \$120,000 to do this.

DIVIDENDS

The Group has generated strong operational cash-flows and will be declaring an interim 3c fully franked LIC dividend, and a 1c special dividend from Surf Hardware International's strong performance.

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

OUTLOOK

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

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

PROFIT AND LOSS STATEMENT

For the half-year ended	31 Jan 2022 \$'000	31 Jan 2021 \$'000
Operational Net Income		
Interest income	63	104
Investment properties	4,069	3,672
Equities	668	284
Managed private equities	106	333
Surf Hardware International	2,164	2,142
Total Net Income from Ordinary Activities	7,070	6,535
Expenses		
Administration, public company and other	(2,895)	(1,301)
Operational Profit	4,175	5,234
Gains on sale or revaluation		
Investment properties – realised gains	154	-
Managed private equities – realised and unrealised gains	1,290	-
Derivatives	-	587
Other		
Other income	2,566	105
Other costs	-	(68)
Profit Before Tax	8,185	5,858
Income tax expense	(1,035)	(842)
Profit After Tax	7,150	5,016

KEY METRICS	31 Jan. 2022 (6 months)	31 July 2021 (12 months)	31 July 2020 (12 months)	31 July 2019 (12 months)	31 July 2018 (12 months)
Net Assets*	\$206.4m	\$208.6m	\$195.5m	\$206.8m	\$242.7m
Net Assets per Share					
- Before Tax on unrealised gains*	\$4.12	\$3.89	\$3.64	\$3.83	\$4.52
Profit (loss) After Tax	\$7.2m	\$10.4m	\$4.7m	(\$19.4)m	\$6.5m
Earnings per Share	13.3c	19.35c	8.82c	(36.07)c	12.18c
Dividends per Share	4.0c	7.0c	10.0c	11.0c	12.0c
Total Shareholder Return	6.9%	8.8%	(2.3)%	(12.8)%	4.7%

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

GOWINGS AT A GLANCE (At Directors' Valuation)

	31 Jan 2022 \$'000	31 Jul 2021 \$'000
Strategic Investments		
Surf Hardware International (at cost)	16,000	16,000
Cobram Estates Olives*	17,857	14,834
Carlton Investments	6,292	6,484
Dice Molecules	4,671	2,304
Hexima	2,932	1,822
Murray Darling Food Company**	3,800	2,157
Power Pollen Accelerated Ag Technologies*	1,621	885
Three Valley Meats	950	950
NSX Limited	810	1,250
Hydration Pharmaceuticals	775	1,331
SYMBYX	600	600
EFTsure*	599	681
Blackfynn	403	403
Other Investments – Australia	10,141	8,532
Other Investments - International	2,082	1,704
Total * includes additions and or realisations	69,533	59,937
Private Equity Funds		
Our Innovation Fund I	2,958	2,544
OurCrowd Australia	1,262	1,424
Five V Capital	372	3,740
Our Innovation Fund II	352	175
Other Private Equity Funds	432	120
Total	5,376	8,003
Pacific Coast Shopping Centre Portfolio		
Sub-regional and Neighbourhood shopping centres	198,238	198,069
Borrowings	(94,310)	(94,309)
Total	103,928	103,760
Other Direct Properties		
Sawtell Commons - Residential Subdivision***	28,000	12,480
Solitary 30 – Coffs Harbour Development Land***	7,500	3,864
Other Properties	10,558	8,132
Borrowings	(1,150)	(1,101)
Total	44,908	23,375
Cash and Other		
Cash (AUD)	19,978	21,919
Cash (USD)	5,628	7,087
Tax Liabilities	(14,386)	(14,021)
Surf Hardware International Consolidation Impact	(3,799)	(1,310)
Other Assets & Liabilities	7,934	(103)
Total	15,355	13,572
Net Assets before tax on unrealised gains on equities, private equities and investment properties	239,100	208,647
Provision for tax on unrealised gains on equities, private equities and investment properties	(14,215)	(13,497)
Adjustments for unlisted equity held for sale**	(1,643)	-
Adjustments for development properties held at cost***	(16,837)	-
Net Assets after tax on unrealised gains on equities, private equities and investment properties	206,405	195,150

PACIFIC COAST SHOPPING CENTRE PORTFOLIO

Our key focus during the period has been on supporting our retailers through challenging trading conditions, securing new retailers, and renewing existing retailers. Covid-19 lockdowns and subsequent Omicron variant outbreaks including over the prime Christmas holiday season impacted shopping centre foot traffic and sales. We have continued to work closely with our retailers to help navigate and support them by implementing the Government mandated rental moratoriums. Not all retailers were impacted to the same extent with several our major anchor tenants and specialty retailers in certain industries experiencing strong demand and sales growth.

Despite the challenging conditions our shopping centre portfolio is well placed for continued growth given the large increase in population in the mid north coast of NSW region and the substantial public and private sector investment on infrastructure, services and jobs currently underway.

We are pleased to report that at time of writing there is increased retailer confidence reflected in improving monthly centre foot traffic and sales data and we hope to capitalise on this positive momentum.

Coffs Central

We are pleased to welcome three new retailers to Coffs Central in the period:



All successfully commenced trading during the period with new high impact fitouts and have been trading strongly to date. We also successfully renewed 2 retailers with a further six lease renewals underway.

On the development side we achieved several positive milestones including securing a separate strata title approval for the Gowings commercial tower; DA approval for a liquor license & bottle shop and commencing design for a Shared Workspace facility at the centre to boost income, activation, and foot traffic levels. Our environmental & sustainability initiatives including installing a rooftop garden, installing rooftop solar and introducing waste compactors all progressed during the period.

Port Central

Port Central continues to trade well given its strong mix of national and boutique retailers, vacancies remain at low levels. Our focus during the period has been on securing significant renewals with major retailer groups and managing leasing interest from new retail groups wanting a foothold in the centre.

During the period we continued to progress the design and feasibility of planned capital upgrades including a reconfiguration of the food court into an exciting mixed vibrant retail and dining offer and continue to explore further redevelopment and relocation opportunities within the centre to optimise the tenancy mix.

We continue to evaluate the redevelopment options associated with our adjoining 99 William Street site and how that might amalgamate with Port Central. Current ideas include a commercial, retail and residential mixed-use development.

OTHER PROPERTIES UNDER DEVELOPMENT

Sawtell Commons - At time of writing all 20 Sawtell Commons Stage 2 lots have been sold or reserved for development since title registration of the lots in July 2021. Despite delays (due to COVID and prolonged rainfall events) the Stage 3 subdivision works for the next release of 56 lots is progressing well. Completion of the Stage 3 works and registration of the 56 lots is scheduled for May/June 2022.

Sale prices for the Stage 3 release have been reviewed given the substantial increases in regional land prices and demand. New pricing for a partial release of Stage 3 lots has been finalised with a Sales program to commence soon to take advantage of the current market.

Planning and design for the works required in the next Stage 4 land release has commenced

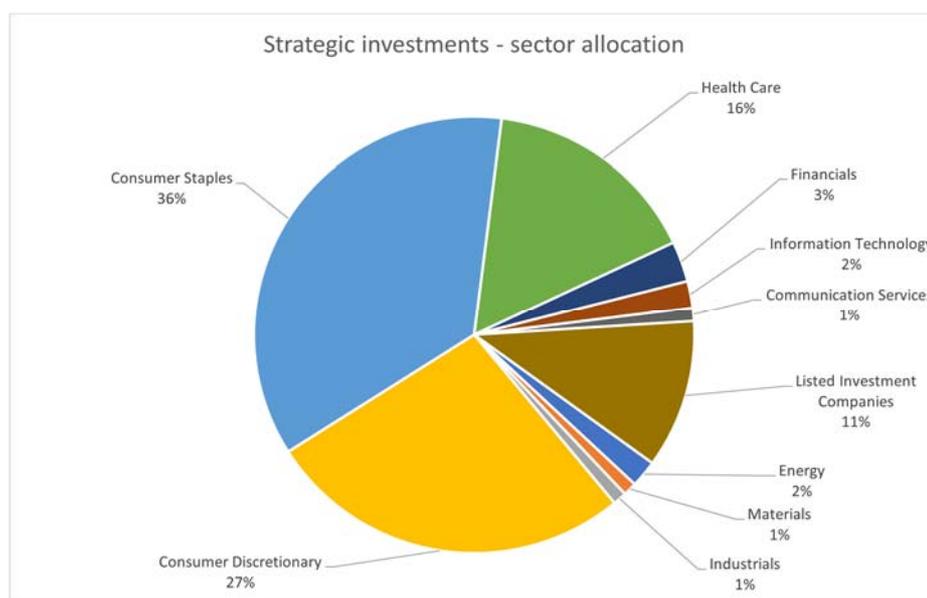


Solitary 30 - The Jetty development site located at 357 Harbour Drive paves the way for an exciting new mixed-use development for Gowings. The site has now been demolished and some of the historic and original timber elements of the Forestry Building have been re-purposed at the new Gowings Head Office located on level 3 of the Gowings Building on Harbour Drive in Coffs Harbour.

DFJ Architects have presented several concepts for the site and are continuing to refine their final designs. We are in consultation with Coffs Harbour City Council regarding the potential transfer of ownership of the parcel of land adjoining the road and expect a decision shortly. This decision will impact the final design submitted for DA, expected later in 2022.

STRATEGIC INVESTMENTS

The strategic investment portfolio grew to \$67.9 million during the period.



UNLISTED INVESTMENTS

Murray Darling 31 January 2022:

Murray Darling has posted a net profit of \$366,000 which is marginally lower than budget mainly due to a delay in the sale of livestock of approximately \$100,000 until February and are on target to achieve a good result.

Distributions from the trust totalled \$161,000, which was an increase on the prior years' distribution of \$102,348. Forecast net profit for the year is on track with the budget.

Wholesale Investor – 31 January 2022:

Wholesale Investor is a software platform focussing on venture capital, private equity and capital raises through their subscription service. Successful capital raisings and a plan in the pipeline to get an AFSL means the Company has a strong cash runway to attain growth. They have a large database of experts, companies and investors that subscribe to their events. Additionally, they have successfully initiated many capital raises through the platform.

SYMBYX – 31 January 2022:

SYMBYX holds the patents on medical-grade lasers available for at-home use. They have patented technology behind the products. These devices are helping to develop light therapies to treat and manage previously intractable, chronic diseases and painful, inflammation mediated conditions. Their key focus thus far is on the treatment of Parkinson's symptoms.

Tasmanian Oyster Company – 31 January 2022:

Tasmanian Oyster Company is now a major supplier in Tasmania and sales have grown year on year, with a trajectory set for further growth already apparent from Queensland and Victoria. They are additionally focusing on more value-added products in their range and expanding their overall offering along with having stock on hand to meet increased demand.

Allier Capital has been appointed to provide expert advice relating to the Company's capital liquidity along with capital growth going forward which is in the pipeline to be presented to shareholders for their approval.

CannaPacific – 31 January 2022:

CannaPacific is an Australian biotech company focused on the cannabinoid pharmaceutical sector. They apply advanced plant science methods to perform cannabis research and cultivation services for the industry. They are licensed by the Government to research and cultivate medical cannabis products and are located near Byron Bay in NSW. They have strong backing from many investors and given the scope of the research and products pipeline. They have recently partnered with the CSIRO to trial novel encapsulation technologies to make medicinal cannabinoids more effective.

Surf Lakes Pty Ltd – 31 January 2022:

Surf Lakes owns patented technology over the construction of surf parks in inland spaces, these are exciting because it brings surfing to a much larger market as not everyone lives by the beach, also surfing inland could be considered safer and more accessible to those concerned with sharks.

They have secured exclusive territory agreements with South Carolina, are building in Florida and their Yeppoon surf pool has received Development Approval. In terms of capital raising, they are in the final stages of pre-IPO fundraising to assist their growth objectives and strengthen their balance sheet.

EFTSure Pty Ltd – 31 January 2022:

In a major highlight the majority of EFTSure shares were sold to private equity group Level Equity. In the current period Gowings sold 80% of its' shareholding for \$2.1 million dollars, the remaining 20% was revalued upwards to reflect the pricing of the sale. EFTSure has a leading payments authentication and fraud detection trusted by over 500 Australian Companies including Gowings. The cash runway of the business is strong and future growth prospects are significant, including overseas markets.

Blackfynn – 31 January 2022:

Given that currently available treatments do not work for all patients, Blackfynn is changing the way that neurodegenerative diseases are treated and managed through the development of clinical-stage therapeutics and the use of a data-driven approach.

Accelerated AG Technologies – 31 January 2022:

Accelerated AG Technologies currently has some major global players in the wheat sector assessing the commercial viability and scalability of their product offering. They have secured two major customers for wheat and are additionally looking to apply the technology to other similar plants, with some success.

They have a strong cash runway and have successfully closed another round of capital raisings with one of their key customers coming on board as a shareholder, a credit to the Company's product offering.

Varicon – 31 January 2022:

Varicon is a project management software service helping automate and improve information efficiencies. It is targeted at large, medium and construction and project management firms. The software enables project managers to get live up to date information on how projects are tracking against cost.

They have secured customers during a challenging year and have good expectations for 2022, as lockdowns are over. Their focus is now getting their product set up to integrate with accounting systems such as Xero and MYOB, to take more of the small to medium enterprise business market.

Three Valley Meats – 31 January 2022:

Three Valley Meats owns and operates one of two abattoirs in Tasmania. They are focussed on premium small batch meat production. They are currently producing premium Tasmanian meats and are in the start-up phase of the operation. Backed by property, the investment is promising and given the market appetite for quality and gourmet home cooked meats and especially those foods originating from bespoke companies, the business model is promising.

Safewill and Willed– 31 January 2022:

Safewill and Willed are software platforms aiming to reduce the cost and simplify the legal aspects of writing a will so that it can be offered to a broader market. Their offering is modern and online through their platform. They are disrupting a large market and there is scalability and demand for wills across a much broader base as opposed to the current market offerings. The businesses have plans to grow and have strong cash-flow runways due to successful capital raises along with customer growth. They both represent a viable business model going forward. Safewill especially are moving towards operational cash flows funding the business along with a pipeline of further similar offerings such as cremations.

Whizz Technologies – 31 January 2022:

Whizz provides an easy and convenient platform to enable customers to book cleaning services on the same day 7 days a week. The company was formed in 2014 and is focussed on the residential, office and commercial sector. They have successfully raised pre-IPO capital which provides a strong cash runway and are looking to list on the stock exchange soon.

Vively – 31 January 2022:

As a first capital seed investment, Vively is a solution for getting telehealth and online health as a subscription service and creating a hub of expert medical practitioners and associated services all in the one home. They have a good cash runway along with growing subscriptions and are user testing their customer interface, expanding their offering, and enhancing their pricing model to focus on retaining and growing their customers.

Eratos – 31 January 2022:

Eratos provides a software platform focusing on data being housed and analysed for ease of use, they have a product that offers value to those using complicated data-sets to get meaningful information. They recently closed a SAFE note round for \$1.25m. They had a strong start to FY22, securing \$1m in new revenue over the next two years, yearly subscriptions and implantation income are on the increase. They are running a lean operation and so have a strong cash-flow pipeline to secure them for future as they increase their revenues to cover operational costs.

Skalata Ventures – 31 January 2022:

Skalata Ventures is the Fund Manager for Skalata and represents our interest in the Funds Manager behind Skalata Fund I and Fund II. We chose to invest not just in the fund but have also taken a stake in the manager of the Fund. Successful Funds management is a great business model, and the company is poised for good results especially if the underlying funds perform well over time.

Hello Cup Investments – 31 January 2022:

Hello Cup is a New Zealand start-up launching a new range of reusable menstrual products for women. Given the amount of waste in the market, they are focussed on bringing a positive impact to the planet and targeting women who want to reduce waste. The product is designed to last at least five years.

Nexidus – 31 January 2022:

Nexidus is a sun care and skin products company that that operates in Australia, India, Japan and the United States of America, it holds exclusive global licenses on patents and trademarks associated with their "Solar D" SPF Technology.

Ply Me Pty Ltd – 31 January 2022:

Ply Me is a start-up focussed on easy to assemble timber furniture located in Taree. We are the first investor in the business and the underlying patents on the unique method of production. Although small, it is an exciting investment opportunity with a great cash runway.

VENTURE CAPITAL FUNDS

Our Innovation Fund I & II:

Our Innovation Fund I had a strong start to 2022, producing three exits in their portfolio with cash distributions from the exit of 50% of Assignar and 90% of EFTSure totalling \$830,000 with another distribution due from the exit of XM Cyber. Once distributed the total amount of cash received will exceed the capital calls to date. Our Innovation Fund I has been a tremendous success, with a trajectory of growth through Fund II additionally. Fund II is the second fund underneath Fund I and has benefited from the Exit of XM Cyber as it was included in both portfolios and the remaining portfolio including GO1, Enboarder and Advanced Navigation.

Five V Fund II:

Five V Fund II has also produced some strong results through exits of the portfolio. They exited their positions from Education Perfect and Probe Group totalling \$1,630,000. An additional \$1,530,000 was received separately through a co-investment made directly into the Probe Group.

The total residual value of Fund II is still a healthy \$61,200,000, with holdings remaining in Probe Group, Plenti and Madman among others. Five V has been a long-term investment and yielded exceptional results to date, with some good crystallisations and liquidity events likely soon.

OurCrowd:

The OurCrowd Portfolio currently sits at \$1,210,142, slightly higher than the initial investment. These are direct investments in small firms that would be considered venture capital. They consist of a diverse mix of exciting tech disruptors across multiple industries. The start-up market is strong especially given Covid-19 and the general appetite for disruptors and the portfolio is poised to perform well over time.

Skalata Fund II:

Skalata Fund II is an Australian fund focussing on Australian start-ups and entrepreneurs. They are seeking to fill a gap in the market where “great ideas start stalling”. Fund II comprises seed investments in a variety of fledgling companies although most of the capital raised is yet to be deployed. The Fund has a strong team with a good track record and is poised to be an exciting opportunity.



Hello Cup



Surf Lakes

GOWINGS SURF HARDWARE INTERNATIONAL



Surf Hardware International (SHI) performed well during the first half generating sales of \$27.8 million, a 23% increase on the prior corresponding period.

While the impacts of COVID-19 have been detrimental for many businesses, SHI has benefited from increasing rates of surfing participation and a demand for surf accessories & hardgoods.

With a key focus on growing our online direct to consumer sales channel and leveraging our strategic partnerships within wholesale, the business delivered a strong result contributing \$2million to the Gowings group results.



Innovation remains a key focus within the business with the new FCS Freedom Helix leash range launched during the period and a number of other innovation projects are in the works.

A new range of eco-blend products featuring recycled packaging & materials were also successfully launched within the period and the business continues to reduce the use of plastic.

Despite ongoing external supply chain challenges, the launch of new summer product ranges and marketing initiatives in the northern hemisphere markets (USA, Europe and Japan) from March 2022 should continue to provide a platform for ongoing sales growth.

DIRECTORS' REPORT

DIRECTORS

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

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

REVIEW OF OPERATIONS

Refer to Results for Announcement to the Market.

ROUNDING OFF

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration given to the Directors by the lead auditor for the review undertaken by William Buck Accountants and Advisors is included in page 31.

Dated this 28th day of March 2022 in accordance with a resolution of the directors.



J. E. Gowing
Managing Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE HALF-YEAR ENDED 31 JANUARY 2022

	Notes	31 Jan 2022	31 Jan 2021
		\$'000	\$'000
Revenue			
Interest income		63	104
Equities		668	284
Private equities		106	333
Investment properties		8,704	9,117
Sale of goods (Surf Hardware International)		27,780	22,848
Total revenue		37,321	32,686
Other Income			
Gains on disposal or revaluation of:			
- Private equities		1,290	-
- Investment properties		154	-
- Derivatives		-	587
Other income		2,566	601
Total revenue and other income		41,331	33,874
Expenses			
Investment properties		3,370	3,430
Finished goods, raw materials and other operating costs (Surf Hardware International)		25,528	20,352
Administration		1,343	840
Borrowing costs		1,325	2,118
Depreciation and amortisation		789	825
Employee benefits		511	186
Public company		280	265
Total expenses		33,146	28,016
Profit from continuing operations before income tax expense		8,185	5,858
Income tax expense	3	(1,035)	(842)
Profit from continuing operations		7,150	5,016
<i>Profit from continuing operations is attributable to:</i>			
Members of Gowings Bros. Limited		7,145	5,015
Non-controlling interests		5	1
Profit from continuing operations		7,150	5,016

The consolidated statement of profit or loss should be read in conjunction with the notes as set out on pages 19 to 29.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 JANUARY 2022

	Notes	31 Jan 2022	31 Jan 2021
		\$'000	\$'000
Profit from continuing operations		7,150	5,016
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations, net of tax		340	(329)
<i>Items that will not be reclassified to profit or loss:</i>			
Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax		6,313	2,266
Total Comprehensive Income		13,803	6,953
Total comprehensive income attributable to:			
Members of Gowing Bros. Limited		13,798	6,952
Non-controlling interests		5	1
Total Comprehensive Income		13,803	6,953
Basic and diluted earnings per share	8	13.3c	9.3c

The consolidated statement of comprehensive income should be read in conjunction with the notes as set out on pages 19 to 29.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JANUARY 2022

	Note	31 Jan 2022	31 Jul 2021
		\$'000	\$'000
Current assets			
Cash and cash equivalents		28,015	30,813
Inventories		10,935	8,265
Trade and other receivables		5,821	6,562
Other		835	1,075
Total current assets		45,606	46,715
Non-current assets			
Other receivables		-	63
Loans receivable		750	850
Equities		51,140	43,087
Private equities		5,376	8,003
Development properties		23,883	18,950
Investment properties	4	203,576	203,595
Property, plant and equipment		1,383	1,551
Intangibles		3,904	3,916
Right of use assets		1,268	1,747
Deferred tax assets		2,140	2,386
Other		1,525	1,616
Total non-current assets		294,945	285,764
Total assets		340,551	332,479
Current liabilities			
Trade and other payables		4,750	6,368
Borrowings	5	18	1,115
Lease liabilities		1,453	997
Current tax liabilities		4,449	4,740
Provisions		1,263	3,222
Total current liabilities		11,933	16,442
Non-current liabilities			
Trade and other payables		84	108
Borrowings	5	95,460	94,309
Lease liabilities		36	974
Provisions		341	333
Deferred tax liabilities		26,292	25,163
Total non-current liabilities		122,213	120,887
Total liabilities		134,146	137,329
Net assets		206,405	195,150
Equity			
Contributed equity		12,287	12,693
Reserves	6	102,886	99,151
Retained profits	7	91,228	83,307
Contributed equity & reserves attributable to members of Gowing Bros. Ltd		206,401	195,151
Non-controlling interests		4	(1)
Total equity		206,405	195,150

The consolidated statement of financial position should be read in conjunction with the notes as set out on pages 19 to 29.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 JANUARY 2022

	Contributed Equity	Capital Profits Reserve- Pre CGT Profits	Revaluation Reserves	Foreign Currency Translation Reserve	Retained Profits	Non-Controlling Interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 August 2020	12,895	90,503	4,451	197	76,031	(2)	184,075
Total comprehensive income for the half-year	-	-	2,266	(329)	5,015	1	6,953
Transactions with owners in their capacity as owners:							
- Share buy back	(151)	-	-	-	-	-	(151)
- Dividends paid	-	-	-	-	(1,609)	-	(1,609)
Balance at 31 January 2021	12,744	90,503	6,717	(132)	79,437	(1)	189,268
Balance at 1 August 2021	12,693	90,503	8,504	144	83,307	(1)	195,150
Total comprehensive income for the half-year	-	-	6,313	340	7,145	5	13,803
Transfer of gains on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	-	-	(2,918)	-	2,918	-	-
Transactions with owners in their capacity as owners:							
- Share buy-back	(406)	-	-	-	-	-	(406)
- Dividends paid	-	-	-	-	(2,142)	-	(2,142)
Balance at 31 January 2022	12,287	90,503	11,899	484	91,228	4	206,405

The consolidated statement of changes in equity should be read in conjunction with the notes as set out on pages 19 to 29.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 JANUARY 2022

	31 Jan 2022	31 Jan 2021
	\$'000	\$'000
Cash Flows from Operating Activities		
Receipts in the course of operations (inclusive of GST)	38,944	37,873
Payments to suppliers and employees (inclusive of GST)	(33,735)	(28,537)
Dividends and distributions received	774	617
Interest received	26	104
Borrowing costs paid	(1,325)	(2,118)
Income tax paid	(2,657)	-
Net Cash inflow from Operating Activities	2,028	7,939
Cash Flows from Investing Activities		
Payments for purchases of property, plant and equipment	(92)	(119)
Payments for purchases of intangibles	(14)	-
Payments for purchases of equity investments	(6,438)	(2,183)
Payments for purchase of private equity investments	(435)	-
Payments for loans made	(200)	(400)
Payments for purchases of investment properties	(478)	(1,080)
Payments for purchases of development properties	(4,933)	(1,281)
Proceeds from sale of equity investments	10,388	2,122
Proceeds from sale of investment properties	400	-
Net Cash outflow from Investing Activities	(1,803)	(2,941)
Cash Flows from Financing Activities		
Payment for share buy backs	(406)	(151)
Repayment of borrowings	-	(308)
Proceeds from borrowings	54	10,000
Payment for termination of derivative	-	(3,730)
Repayment of lease liability	(529)	(513)
Dividends paid	(2,142)	(1,609)
Net Cash (outflow)/inflow from Financing Activities	(3,023)	3,689
Net (decrease)/increase in cash and cash equivalents	(2,798)	8,687
Cash and cash equivalents at the beginning of the half-year	30,813	18,599
Cash and cash equivalents at the end of the half-year	28,015	27,286

The consolidated statement of cash flows should be read in conjunction with the notes as set out on pages 19 to 29.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

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

The interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Group as at and for the year ended 31 July 2021 together with any public announcements made during the half-year.

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

The preparation of an interim financial report requires conformity with Australian Accounting Standards in the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision affects the current and future periods, then the revision is made over current and future periods accordingly.

Comparative information has been reclassified where appropriate to enhance comparability.

The accounting policies applied in these interim financial statements are the same as those applied in the Group's financial statements as at and for the year ended 31 July 2021.

New, revised or amending Accounting Standards and Interpretations adopted

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

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

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

Rounding of amounts

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2. SEGMENT INFORMATION

Business segments

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

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

For the period ended	31 Jan 2022	31 Jan 2021
	\$'000	\$'000
Segment revenue		
Cash and fixed interest – interest received	63	104
Equities – dividends and options income received	668	284
Private equities – distributions received	106	333
Investment properties – rent received	8,704	9,117
Surf Hardware International business – sale of goods	27,780	22,848
Total segment revenue	37,321	32,686
Segment other income		
Private equities – realised and unrealised gains in fair value	1,290	-
Investment properties – realised and unrealised gains in fair value	154	-
Other	2,566	1,188
Total other income	4,010	1,188
Total segment revenue and other income	41,331	33,874
Segment result		
Cash and fixed interest	63	104
Equities	668	284
Private equities	1,396	333
Investment properties	4,223	3,715
Surf Hardware International business	2,164	2,142
Other	(329)	(720)
Total segment result	8,185	5,858
Income tax expense	(1,035)	(842)
Net profit after tax	7,150	5,016

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2. SEGMENT INFORMATION (CONTINUED)

Inter-segment revenue

There were no inter-segment revenues during the period.

Revenue from external customers by geographical region

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

For the period ended	31 Jan 2022	31 Jan 2021
	\$'000	\$'000
Australia	17,840	17,967
United States of America	8,338	6,758
Japan	4,134	3,590
Europe	6,172	3,650
Total revenue from external customers	36,484	31,965

As at	31 Jan 2022	31 Jul 2021
	\$'000	\$'000
Segment assets		
Cash and fixed interest	28,015	30,813
Equities	51,140	43,087
Private equities	5,376	8,003
Investment properties	203,576	203,595
Development properties	23,883	18,950
Surf Hardware International business	20,354	18,821
Unallocated assets	8,207	9,210
Total assets	340,551	332,479
Segment liabilities		
Investment properties	91,325	91,276
Surf Hardware International business	5,347	5,700
Unallocated liabilities	37,474	40,353
Total liabilities	134,146	137,329
Non-current assets by geographical region		
Australia	282,485	274,760
United States of America	10,800	9,312
Japan	972	1,040
Europe	688	652
Total non-current assets	294,945	285,764

NOTES TO THE INTERIM FINANCIAL STATEMENTS

3. INCOME TAX EXPENSE

	31 Jan 2022	31 Jan 2021
	\$'000	\$'000
Prima facie tax expense on the net profit at 30% (2021: 30%)	2,456	1,757
Tax effect of:		
Over provision in prior year	(3)	(273)
Deferred tax asset (previously not recognised)/not recognised	(930)	(685)
Non-assessable income / non-deductible expenses	(423)	93
Franked dividends	(65)	(50)
Income tax expense	1,035	842

4. NON-CURRENT INVESTMENT PROPERTIES

	31 Jan 2022	31 Jul 2021
	\$'000	\$'000
Land and buildings – at fair value		
At fair value		
Balance at beginning of period	203,595	202,442
Additions	478	1,507
Disposal (proceeds)	(400)	-
Net gain on disposal	154	-
Amortisation on incentives	(251)	(510)
Net gain from fair value adjustment	-	156
Balance at end of period	203,576	203,595

NOTES TO THE INTERIM FINANCIAL STATEMENTS

4. NON-CURRENT INVESTMENT PROPERTIES (CONTINUED)

	31 Jan 2022	31 Jan 2021
	\$'000	\$'000
Amounts recognised in profit or loss for investment purposes		
Rental revenue	8,704	9,117
Direct operating expenses from rental generating properties	(3,370)	(3,430)
Direct finance expenses from rental generating properties	(1,265)	(1,972)
Realised gains on investment properties	154	-
Total	4,223	3,715

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

	Valuation Method	Weighted average cap Rate	31 Jan 2022	31 Jul 2021
			\$'000	\$'000
Sub-regional and neighbourhood shopping centres (Coffs Central, Port Central and Kempsey Central)	(a)	6.51%	198,238	198,069
Other Properties	(b)		5,338	5,526
Total			203,576	203,595

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

Where a property is under development, the investment property fair value is based on the fair value of the property "as if complete" less the estimated costs to complete. Development risks (such as construction and letting risks) are taken into consideration when determining fair value of investment property.

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

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

At 31 January 2022, a reduction of 0.5% in the capitalisation rate applied to each property would result in an additional gain of \$17.724 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 \$15.172 million in the consolidated statement of profit or loss and consolidated statement of other comprehensive income.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

5. BORROWINGS

	31 Jan 2022	31 Jul 2021
	\$'000	\$'000
CURRENT		
Bills payable – secured	-	1,101
Commercial advance facility – secured	18	14
	18	1,115
NON - CURRENT		
Bills payable - secured	94,310	94,309
Market rate loan facility – secured	1,150	-
	95,460	94,309

6. RESERVES

	31 Jan 2022	31 Jul 2021
	\$'000	\$'000
Capital profits reserve – pre CGT profits	90,503	90,503
Foreign currency translation reserve	484	144
Long term investment revaluation reserve - equities	11,899	8,504
Total Reserves	102,886	99,151

7. RETAINED PROFITS

	31 Jan 2022	31 Jul 2021
	\$'000	\$'000
Retained profits at the beginning of the financial period	83,307	76,031
Net profit attributable to members of Gowing Bros. Limited	7,145	10,381
Transfer of gains/(losses) on disposal of equity instruments at fair value through comprehensive income to retained earnings, net of tax	2,918	(941)
Transfer of revaluation increment to retained profits on the sale of freehold properties	-	1,591
Dividends provided for or paid	(2,142)	(3,755)
Retained Profits at end of the financial period	91,228	83,307

NOTES TO THE INTERIM FINANCIAL STATEMENTS

8. EARNINGS PER SHARE (EPS)

	31 Jan 2022	31 Jan 2021
	\$'000	\$'000
Earnings reconciliation:		
Basic and diluted earnings (Net profit) – Members of Gowing Bros. Limited	7,145	5,015
	Total No.	Total No.
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share.	53,548,167	53,687,224
Basic and diluted earnings per share	13.3c	9.3c

At balance date there were no options on issue.

9. NET TANGIBLE ASSET BACKING

	31 Jan 2022	31 Jul 2021
NTA per ordinary share after allowing for tax on unrealised capital gains*	\$3.79	\$3.57
NTA per ordinary share before allowing for tax on unrealised capital gains*	\$4.05	\$3.82

* Unrealised capital gains comprise of unrealised capital gains on equities, private equities and investment properties

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

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

10. FAIR VALUE

(a) Fair value Hierarchy

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

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

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

Level 3: unobservable inputs for the assets or liabilities.

The following tables present the Group's assets measured and recognised on a recurring basis at fair value at 31 January 2022 and 31 July 2021. The Group does not have any liabilities measured at fair value at either reporting date.

31 January 2022	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Assets designated at fair value through other comprehensive income				
Investments – Australian equities	35,085	-	7,279	42,364
Investments – global equities	6,753	-	2,023	8,776
Assets designated at fair value through profit or loss				
Investments – private equities	-	-	5,376	5,376
Investments – properties	-	-	203,576	203,576
Total assets at fair value	41,838	-	218,254	260,092

31 July 2021	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Assets designated at fair value through other comprehensive income				
Investments – Australian equities	16,483	-	19,977	36,460
Investments – global equities	1,704	-	4,923	6,627
Assets designated at fair value through profit or loss				
Investments – private equities	-	-	8,003	8,003
Investments – investment properties	-	-	203,595	203,595
Total assets at fair value	18,187	-	236,498	254,685

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

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

The Group has a number of financial instruments which are not measured at fair value at 31 January 2022. 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

10. FAIR VALUE (CONTINUED)

(c) Valuation techniques used to determine fair values

Specific valuation techniques used to determine fair value include:

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

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

The following table presents the changes in level 3 items for the period ended 31 January 2022:

	Unlisted Equities	Global Equities	Private Equities	Investment Properties	31 Jan 2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance 1 August 2021	19,977	4,923	8,003	203,595	236,498
Transfer (to)/from level 1	(14,834)	(3,635)	-	-	(18,469)
Transfer (to)/from	71	-	(71)	-	-
Total gains and (loss) recognised in profit and loss - unrealised	-	-	(327)	-	(327)
Total gains and (loss) recognised in profit and loss - realised	-	-	1,617	154	1,771
Total gains and (loss) recognised in other comprehensive income	2,316	335	-	-	2,651
Additions including purchases, transfers, tenant incentives, and straight-line rental income net of amortisation and depreciation	2,147	400	434	227	3,208
Sales proceeds	(2,398)	-	(4,280)	(400)	(7,078)
Closing balance 31 January 2022	7,279	2,023	5,376	203,576	218,254

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

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

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

Other than the transfer of equities from level 3 to level 1 due to these equities being listed on stock exchanges, there were no transfers between the levels of the fair value hierarchy during the period ended 31 January 2022. Transfers between the levels of the fair value hierarchy are recognised at the beginning of the reporting period. There were also no changes made to any of the valuation techniques used due to determine fair value during the period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

10. FAIR VALUE (CONTINUED)

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

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

11. DIVIDENDS

	Cents per Share	Total	Date
The following dividends were paid by the Company:		\$'000	
Final dividend 31 July 2021	4.0c	(2,142)	29 Oct 2021
Since the end of the period, the directors resolved to pay the following dividend			
Interim dividend 31 January 2022	4.0c	(2,139)	22 April 2022

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

The financial effect of the dividend resolved to be paid subsequent to reporting date has not been brought to account in the financial statements for the half-year ended 31 January 2022 and will be recognised in subsequent financial reports.

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

12. INTERESTS IN JOINT ARRANGEMENTS

The Group has an interest in the following joint operation:

	% OF OWNERSHIP HELD AT END OF PERIOD		CONTRIBUTION TO NET PROFIT (LOSS)	
	31-Jan-22 %	31-Jul-21 %	31-Jan-22 \$'000	31-Jan-21 \$'000
Regional Retail Properties	50	50	35	96
Total	50	50	35	96

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

	TOTAL NO.
Ordinary Securities:	
Opening Balance	53,624,983
11 Aug 2021 – Share buy back	(46,633)
24 Sep 2021 – Share buy back	(36,787)
15 Oct 2021 – Share buy back	(52,841)
Closing Balance	53,488,722

NOTES TO THE INTERIM FINANCIAL STATEMENTS

14. COMMENTS BY DIRECTORS

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

Nil.

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

The Group has sufficient franking credits (\$ 7.3 million) to fully frank all dividends that have been declared.

15. COMMITMENTS FOR EXPENDITURE

Capital commitments

The Group has uncalled capital commitments of up to \$0.9 million in relation to private equity investments held at period end.

The Group has uncalled construction commitments of \$3.3 million in relation to development properties held at period end.

The Group has a settlement commitment of \$3.2 million in relation to the purchase of a development property at period end.

The Group has commitments of \$0.2 million in relation to information and technology project at period end

16. SUBSEQUENT EVENTS

The Directors are continuously managing the effects of COVID-19 pandemic and are managing and monitoring the Group's investments and operations closely in response to the pandemic as it evolves.

At the date of these interim financial statements, the extent of the remaining impact the pandemic may have on the Group's future financial performance and position is currently not known given the degree of uncertainty in the current climate.

Other than current and potential impacts of the pandemic detailed above and the dividend declared since the end of the half-year included in Note 11, no other matters or circumstances have arisen which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION

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

1. the financial statements and notes set out on pages 14 to 29 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001, and;
 - (b) giving a true and fair view of the Group's financial position as at 31 January 2022 and of its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



J. E. Gowing

Managing Director

28 March 2022

Gowing Bros. Limited

Auditor's independence declaration under section 307c of the Corporations Act 2001

I declare that, to the best of my knowledge and belief during the half-year ended 31 January 2022 there have been:

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



William Buck
Accountants & Advisors
ABN 16 021 300 521



L.E. Tutt
Partner

Sydney, 28 March 2022

ACCOUNTANTS & ADVISORS

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Gowing Bros. Limited

Independent auditor's review report

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Gowing Bros. Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the consolidated statement of financial position as at 31 January 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gowing Bros. Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 January 2022 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

Responsibility of Management for the Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 January 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

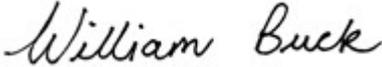
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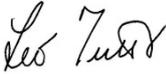
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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit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



William Buck
Accountants & Advisors
ABN 16 021 300 521



L.E. Tutt
Partner

Sydney, 28 March 2022