Appendix 4E

Preliminary final report

1. Name of entity

SCHAFFER CORPORATION LIMITED

ACN	Financial year ended ('current period')
008 675 689	**30 JUNE 2024**
	Previous corresponding period
	30 JUNE 2023

2. Results for announcement to the market

					$'000
2.1	**Revenues from continuing operations**	up	23%	to	226,227
2.2	**Net profit for the period attributable to members**	up	99%	to	27,051

2.3	**Dividends (see note 7)**	Amount per security	Franked amount per security
	Final – Ordinary Dividend	**45¢**	**45¢**
	Interim – Ordinary Dividend	**45¢**	**45¢**
	Total	**90¢**	**90¢**
2.4	**Record date for determining entitlements to the dividend**	**6 September 2024**	

3. Consolidated Statement of Comprehensive Income for the year ended 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Revenue			
Revenue from contracts with customers	3.1	**216,158**	173,990
Rental income	3.2(a)	**7,045**	6,748
Dividends and distributions		**1,698**	1,745
Finance income	3.2(b)	**1,326**	1,155
Total revenue		**226,227**	183,638
Cost of sales and services rendered		**(170,173)**	(138,802)
Rental property expenses	3.2(a)	**(3,664)**	(3,684)
Gross profit		**52,390**	41,152
Share of profit in equity accounted investee		**383**	(805)
Other income/(losses)	3.2(c)	**8,752**	(492)
Marketing expenses		**(541)**	(612)
Administrative expenses		**(14,475)**	(13,270)
Profit before tax and finance costs		**46,509**	25,973
Finance costs	3.2(b)	**(3,669)**	(3,100)
Profit before income tax		**42,840**	22,873
Income tax expense		**(12,470)**	(6,481)
Net profit for the period		**30,370**	16,392
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation (loss)/gain attributable to parent		**(133)**	1,484
Items that may not be reclassified subsequently to profit or loss			
Foreign currency translation (loss)/gain attributable to non-controlling interest		**(33)**	214
Other comprehensive income for the period, net of tax		**(166)**	1,698
Total comprehensive income for the period		**30,204**	18,090
Profit for the period is attributable to:			
Non-controlling interest		**3,319**	2,799
Owners of the parent		**27,051**	13,593
		30,370	16,392
Total comprehensive income for the period attributable to:			
Non-controlling interest		**3,286**	3,013
Owners of the parent		**26,918**	15,077
		30,204	18,090
Earnings per share (EPS)			
Basic EPS	9	**198.7 ¢**	99.8 ¢
Diluted EPS	9	**198.5 ¢**	99.6 ¢
Dividends paid per share	7.2	**90.0 ¢**	90.0 ¢

The above Consolidated Statement of Comprehensive Income should be read with the accompanying notes.

3.1 Consolidated revenue from Contracts with Customers

	For the year ended 30 June 2024			
Segments	**Automotive Leather**	**Group Investments**	**Building Materials**	**Total**
Type of goods or service	**$000's**	**$000's**	**$000's**	**$000's**
Sale of automotive leather components	**181,930**	**-**	**-**	**181,930**
Sale of land	**-**	**1,958**	**-**	**1,958**
Construction services	**-**	**-**	**26,186**	**26,186**
Transport income	**-**	**-**	**4,834**	**4,834**
Sale of goods - hospitality business	**-**	**1,250**	**-**	**1,250**
Total revenue from contracts with customers	**181,930**	**3,208**	**31,020**	**216,158**
Geographical Markets				
Europe	**157,372**	**-**	**-**	**157,372**
Asia	**24,558**	**-**	**-**	**24,558**
Australia	**-**	**3,208**	**31,020**	**34,228**
Total revenue from contracts with customers	**181,930**	**3,208**	**31,020**	**216,158**
Timing of revenue recognition				
Goods transferred at a point in time	**181,930**	**3,208**	**-**	**185,138**
Services transferred over time	**-**	**-**	**31,020**	**31,020**
Total revenue from contracts with customers	**181,930**	**3,208**	**31,020**	**216,158**
Relating to prior period performance	**-**	**-**	**-**	**-**
Relating to current period performance	**181,930**	**3,208**	**31,020**	**216,158**
Total revenue from contracts with customers	**181,930**	**3,208**	**31,020**	**216,158**

	For the year ended 30 June 2023			
Segments	**Automotive Leather**	**Group Investments**	**Building Materials**	**Total**
Type of goods or service	**$000's**	**$000's**	**$000's**	**$000's**
Sale of automotive leather components	142,738	-	-	142,738
Sale of land	-	1,363	-	1,363
Construction services	-	-	26,470	26,470
Transport income	-	-	2,228	2,228
Sale of goods - hospitality business	-	1,191	-	1,191
Total revenue from contracts with customers	142,738	2,554	28,698	173,990
Geographical markets				
Europe	111,824	-	-	111,824
Asia	30,914	-	-	30,914
Australia	-	2,554	28,698	31,252
Total revenue from contracts with customers	142,738	2,554	28,698	173,990
Timing of revenue recognition				
Goods transferred at a point in time	142,738	2,554	-	145,292
Services transferred over time	-	-	28,698	28,698
Total revenue from contracts with customers	142,738	2,554	28,698	173,990
Relating to prior period performance	-	-	-	-
Relating to current period performance	142,738	2,554	28,698	173,990
Total revenue from contracts with customers	142,738	2,554	28,698	173,990

3.2 Significant Other Income and Expenses

	Consolidated	
	June 2024 $'000	June 2023 $'000
(a) Net rental income		
Rental property income	**7,045**	6,748
Rental property expenses	**(3,664)**	(3,684)
Net rental income	**3,381**	3,064
(b) Finance (costs)/income		
Interest on loans	**(3,030)**	(2,678)
Interest on leases	**(639)**	(422)
Total finance costs	**(3,669)**	(3,100)
Interest on cash and term deposits	**1,326**	1,155
Total finance income	**1,326**	1,155
(c) Other income/(losses)		
Net gain on investment property at fair value through profit or loss	**13,376**	115
Net (loss)/gain on financial assets at fair value through profit or loss	**(3,282)**	356
Net loss on financial liabilities at fair value through profit or loss	**(600)**	(610)
Net (loss)/gain on disposal of property, plant, and equipment	**(53)**	16
Government subsidies	**31**	268
Net (loss)/gain on derivatives	**(319)**	318
Foreign currency losses	**(1,372)**	(4,441)
Foreign currency gains	**971**	3,486
Total other income/(losses)	**8,752**	(492)
(d) Depreciation, amortisation, and impairment included in the consolidated statement of comprehensive income		
Depreciation included in:		
Cost of sales	**8,356**	7,913
Marketing and administrative expenses	**79**	72
Total depreciation	**8,435**	7,985
(e) Employee benefit expense included in the consolidated statement of comprehensive income		
Cost of sales	**40,095**	33,782
Marketing and administrative expenses	**6,377**	5,337
Total employee benefits expense	**46,472**	39,119
Employment benefits expense comprises:		
Wages, salaries, and bonuses	**45,205**	37,387
Post-employment benefits provisions (decrease)/increase	**(377)**	281
Long service leave provision	**197**	(33)
Worker's compensation costs	**309**	299
Superannuation costs	**1,138**	1,138
Share-based payments expense	**-**	47
Total employee benefits expense	**46,472**	39,119

4. Consolidated Statement of Financial Position as at 30 June 2024

	Note	Consolidated June 2024 $'000	June 2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6.1	**31,183**	28,324
Cash and cash equivalents - controlled funds	6.1, 15	**6,421**	10,802
Trade and other receivables		**31,981**	35,808
Current tax assets		**381**	-
Inventories		**44,861**	58,715
Contract assets		**6,601**	1,737
Prepayments and deposits		**4,549**	4,296
Financial assets at fair value through profit or loss		**18,741**	11,535
Other financial assets		**1,070**	1,966
Total current assets		**145,788**	153,183
Non-current assets			
Inventories		**878**	781
Contract assets		**2,389**	2,220
Financial assets at fair value through profit or loss		**44,140**	48,803
Other financial assets		**1,638**	1,749
Property, plant and equipment		**19,162**	17,535
Investment property		**159,027**	140,458
Right of use assets		**30,742**	32,512
Equity accounted investments		**7,849**	7,834
Deferred income tax asset		**5,155**	5,251
Goodwill		**1,299**	1,299
Total non-current assets		**272,279**	258,442
Total assets		**418,067**	411,625
LIABILITIES			
Current liabilities			
Trade and other payables		**25,329**	21,333
Contract liabilities		**1,870**	1,348
Interest-bearing loans and borrowings		**14,765**	21,101
Lease liabilities		**6,423**	6,701
Financial liabilities at fair value through profit or loss		**11,530**	12,157
Current tax liabilities		**148**	1,625
Provisions		**10,025**	9,742
Total current liabilities		**70,090**	74,007
Non-current liabilities			
Interest-bearing loans and borrowings		**44,722**	50,297
Lease liabilities		**19,284**	20,047
Deferred income tax liabilities		**33,577**	29,647
Provisions		**12,242**	12,695
Total non-current liabilities		**109,825**	112,686
Total liabilities		**179,915**	186,693
Net assets		**238,152**	224,932
Equity			
Equity attributable to equity holders of the parent			
Issued capital		**9,781**	9,921
Reserves		**4,793**	4,926
Retained earnings		**210,036**	195,201
Total parent entity interest in equity		**224,610**	210,048
Non-controlling interests		**13,542**	14,884
Total equity		**238,152**	224,932

The above Consolidated Statement of Financial Position should be read with the accompanying notes.

5. Consolidated Statement of Changes in Equity for the year ended 30 June 2024

	Attributable to Equity Holders of the Parent							
	Issued Capital	Retained Earnings	Reserves			Total	Non-controlling interests	Total equity
			Asset revaluation reserve	Share-based payments	Foreign Currency Translation reserve			
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2023	**9,921**	**195,201**	**2,585**	**(589)**	**2,930**	**210,048**	**14,884**	**224,932**
Profit for the year	-	**27,051**	-	-	-	**27,051**	**3,319**	**30,370**
Other comprehensive income	-	-	-	-	**(133)**	**(133)**	**(33)**	**(166)**
Total comprehensive income for the year	-	**27,051**	-	-	**(133)**	**26,918**	**3,286**	**30,204**
Transactions with owners in their capacity as owners:								-
Shares acquired under buy-back scheme	**(316)**	-	-	-	-	**(316)**	-	**(316)**
Employee share options exercised	**176**	-	-	-	-	**176**	-	**176**
Share-based payments	-	-	-	-	-	-	-	-
Equity dividends	-	**(12,216)**	-	-	-	**(12,216)**	**(4,628)**	**(16,844)**
At 30 June 2024	**9,781**	**210,036**	**2,585**	**(589)**	**2,797**	**224,610**	**13,542**	**238,152**
At 1 July 2022	10,590	193,866	2,585	(636)	1,446	207,851	13,133	220,984
Profit for the year	-	13,594	-	-	-	13,594	2,798	16,392
Other comprehensive income	-	-	-	-	1,484	1,484	214	1,698
Total comprehensive income for the year	-	13,594	-	-	1,484	15,078	3,012	18,090
Transactions with owners in their capacity as owners:						-		-
Shares acquired under buy-back scheme	(695)	-	-	-	-	(695)	-	(695)
Employee share options exercised	26	-	-	-	-	26	-	26
Share-based payments	-	-	-	47	-	47	-	47
Equity dividends	-	(12,259)	-	-	-	(12,259)	(1,261)	(13,520)
At 30 June 2023	9,921	195,201	2,585	(589)	2,930	210,048	14,884	224,932

6. Consolidated Statement of Cash Flows for the year ended 30 June 2024

	Note	Consolidated 2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		**223,909**	174,538
Payments to suppliers and employees		**(171,845)**	(165,842)
Interest received		**1,158**	1,043
Dividends and distributions received		**1,554**	1,625
Other revenue received		**6,667**	6,364
Government subsidies		**65**	288
Interest paid		**(3,596)**	(3,564)
Income taxes paid		**(9,690)**	(7,663)
Goods and services tax paid		**(502)**	(848)
Net cash flows from operating activities		**47,720**	5,941
Cash flows from investing activities			
Investments in term deposits		**(180)**	(175)
Proceeds on maturity of term deposits		**175**	-
Acquisition of property, plant and equipment		**(3,499)**	(7,093)
Proceeds on sale of property, plant and equipment		**49**	348
Improvements to investment properties		**(5,192)**	(11,968)
Acquisition of non-current financial assets at fair value through profit or loss		**(4,164)**	(6,715)
Proceeds on disposal of non-current financial assets at fair value through profit or loss		**176**	1,833
Capital returns from financial assets at fair value through profit or loss		**3,038**	1,234
Acquisition of non-current financial assets at amortised cost		**(89)**	(405)
Disposal of financial assets at amortised cost – loans receivable		**-**	584
Settlement of derivative financial instruments		**345**	-
Acquisition of current financial assets at fair value through profit or loss - controlled funds		**(19,939)**	(41,255)
Proceeds on disposal of current financial assets at fair value - controlled funds		**12,648**	33,793
Net cash flows used in investing activities		**(16,632)**	(29,819)
Cash flows from financing activities			
Proceeds from borrowings		**-**	31,426
Repayment of borrowings		**(11,911)**	-
Lease principal repayments		**(6,767)**	(6,099)
Lease principal receipts		**476**	4,508
Dividends paid		**(16,814)**	(13,497)
Shares acquired under share buy-back scheme		**(316)**	(695)
Proceeds from exercise of employee share options		**176**	26
Application funds received from investors in controlled equity funds		**1,447**	2,299
Net cash flows (used in)/from financing activities		**(33,709)**	17,968
Net decrease in cash and cash equivalents		**(2,621)**	(5,910)
Net foreign exchange differences		**1,099**	1,051
Cash and cash equivalents at the beginning of the period		**39,126**	43,985
Cash and cash equivalents at the end of the period	6.1	**37,604**	39,126

The above Consolidated Statement of Cash Flows should be read with the accompanying notes.

6.1 Reconciliation of cash

	Consolidated	
	June 2024 $'000	June 2023 $'000
Cash balance comprises:		
Cash at bank and on hand	**31,183**	28,324
Cash at bank and on hand - controlled funds (i)	**6,421**	10,802
Closing cash balance per consolidated statement of cash flows	**37,604**	39,126

(i) The Group controls and manages equity investment funds. The cash held by the funds is to be applied by the fund manager to purchase assets following the funds' mandates.

6.2 Non-cash financing and investing activities

Details of financing and investing transactions that have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

$Nil (2023 - $Nil)

6.3 Financing facilities available

The consolidated entity had financing facilities available at the balance date of $98,000,000 (2023 - $92,105,000). The unutilised facility for the consolidated entity at the balance date was $26,755,000 (2023 $7,733,000).

7. Dividends

Date the dividend is payable	20 September 2024
Record date to determine entitlement to the dividend (i.e. based on security holding balances established by 5:00pm or such later time permitted by SCH Business Rules – securities are CHESS approved).	6 September 2024
If it is a final dividend, has it been declared?	YES

7.1 Dividends paid

	Consolidated	
	June 2024 $'000	June 2023 $'000
Dividends paid		
Final 2023 dividend paid in September	**6,110**	6,130
Per share (¢)	**45**	45
Interim 2024 dividend paid in March	**6,106**	6,129
Per share (¢)	**45**	45
Fully franked dividends paid by the parent	**12,216**	12,259
Fully franked dividend paid by controlled entities to minority shareholders	**4,628**	1,262
Total fully franked dividends paid	**16,844**	13,521

7.2 Total dividend per security (interim *plus* final and special)

	Current year	Previous year
Ordinary securities	90¢	90¢
Preference securities	-	-

7.3 Dividend Plans

The company does not have a dividend reinvestment plan.

8. Consolidated retained profits

	Consolidated	
	June 2024 $'000	June 2023 $'000
Retained earnings		
Balance at the beginning of the year	**195,201**	193,867
Net profit attributable to members of the parent entity	**27,051**	13,593
Dividends provided for or paid	**(12,216)**	(12,259)
Balance at the end of the year	**210,036**	195,201

9. Earnings per security (EPS)

Details of basic and diluted EPS reported separately in accordance with *AASB 133: Earnings Per Share* are as follows.

The following reflects the income and share data used in the calculation of basic and diluted EPS:

	Consolidated	
	June 2024 $'000	**June 2023 $'000**
Basic and diluted earnings	**27,051**	13,593
Basic EPS	198.7¢	99.8¢
Diluted EPS	198.5¢	99.6¢

	Number of shares June 2024	Number of shares June 2023
Weighted average number of ordinary shares for basic earnings per share	**13,604,483**	13,615,350
Weighted average number of ordinary shares adjusted for the effect of dilution	**13,628,612**	13,644,100

10. NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	**$16.45**	$15.37

11. Foreign entities

For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

International Financial Reporting Standards (IFRS).

12. Controlled gained/lost over entities having material effect

N/A

13. Significant events after balance date

The company will pay a fully franked final dividend of 45¢ per share on 20 September 2024.

14. Segment information

Business segment information	Automotive Leather		Group Investments		Building Materials		Consolidated	
	June 2024	**June 2023**	**June 2024**	**June 2023**	**June 2024**	**June 2023**	**June 2024**	**June 2023**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue								
Revenue from contracts with customers	**181,930**	142,738	**3,208**	2,554	**31,020**	28,698	**216,158**	173,990
Other revenue	**6**	24	**9,974**	9,573	**89**	51	**10,069**	9,648
Total revenue	**181,936**	142,762	**13,182**	12,127	**31,109**	28,749	**226,227**	183,638
Results								
Net profit after tax	**18,409**	13,275	**10,713**	3,781	**4,467**	2,008	**33,589**	19,064
Less: profit attributable to non-controlling interests	**(3,099)**	(2,234)	**(220)**	(565)	**-**	-	**(3,319)**	(2,799)
Profit attributable to owners of the parent	**15,310**	11,041	**10,492**	3,216	**4,467**	2,008	**30,270**	16,265
Unallocated items								
Corporate overheads							**(4,597)**	(4,180)
Income tax benefit							**1,379**	1,508
Profit after tax							**27,051**	13,593
Assets								
Total segment assets	**136,752**	159,143	**259,766**	234,249	**19,752**	16,736	**416,270**	410,128
Unallocated items							**1,797**	1,497
Total assets							**418,067**	411,625

15. Net assets attributable to external investors in controlled funds

The Group has acted as Trustee and Fund Manager for managed equity funds under the control of the Group. At 30 June 2024, the controlled funds and the Group's holding of units therein were as follows:

- SFC Global Equities Fund – 49% (2023: 52%)
- SFC Fallen Angels Fund (established 1 January 2024) – 67% (2023: n/a)

External investors hold the remaining units in the funds and have the right to withdraw on notice.

The Group has irrevocably designated the net assets attributable to external investors in the funds as a financial liability at fair value through profit or loss. The Group determined that designation of the financial liability at fair value through profit or loss significantly reduces an accounting mismatch that would otherwise arise if the liability and corresponding financial assets in the funds were measured on different bases. As such, movements in net assets attributable to external investors in the funds are included as fair value adjustments in the Consolidated Statement of Comprehensive Income.

The financial position of the controlled funds is shown below.

		June 2024 $'000	June 2023 $'000
Net assets in controlled funds attributable to shareholders of the Group		**11,272**	9,685
Net assets in controlled funds attributable to external investors		**11,058**	9,007
Net assets held in controlled funds		**22,330**	18,692
Comprising:			
Current assets			
Cash and cash equivalents - controlled funds	(i)	**6,421**	10,802
Financial assets at fair value through profit or loss		**16,496**	11,175
Other financial assets		**88**	74
Total current assets		**23,005**	22,051
Current liabilities			
Trade and other payables		**204**	269
Financial liabilities at fair value through profit or loss		**471**	3,090
Total current liabilities		**675**	3,359
Net assets held in controlled funds		**22,330**	18,692

(i) Cash held by the controlled equity funds is to be applied by the fund manager to purchase assets following each fund's mandate.

16. Other significant information

All other significant information other than in this Appendix 4E, is disclosed in the letter to shareholders released on the same date as this Appendix 4E.

17. Commentary on results

For a commentary on the results see the letter to shareholders released on the same date as this 4E.

18. Status of audit or review

This report is based on accounts to which one of the following applies.

☐	The accounts have been audited.	☐	The accounts have been subject to review.
☑	The accounts are in the process of being audited or subject to review.	☐	The accounts have *not* yet been audited or reviewed.

19. Dispute or qualification – accounts not yet audited or subject to review

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

N/A

20. Dispute or qualification – accounts audited or subject to review

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

N/A

JM Cantwell

Sign here: .... Date: 21 AUGUST 2024
Company Secretary

Print Name: JASON MARK CANTWELL