

APPENDIX 4D

This Half-Year Report is provided to the
Australian Stock Exchange (ASX)
Under ASX Listing Rule 4.2A.3

Name of entity

SCHAFFER CORPORATION LIMITED

ACN

008 675 689

Financial year ended ('current period')

31 DECEMBER 2024

Previous corresponding period

31 DECEMBER 2023

For announcement to the market

Revenues from ordinary activities	Down	0.5%	to	\$'000 112,285
Net profit for the period attributable to members (statutory profit)	Up	44%	to	12,742
DIVIDENDS		Amount per security		Franked amount per security
Final dividend		-		-
Interim period		45¢		45¢
Date the dividend is payable		14 March 2025		
Record date to determine entitlements 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 CHESSE approved)		7 March 2025		

NET TANGIBLE ASSET BACKING		
Consolidated Entity	Dec 2024	Dec 2023
Net tangible assets ¹ \$'000	\$231,836	\$200,900
Fully paid ordinary shares on issue at balance date	13,590,807	13,569,557
Net tangible asset backing per issued ordinary share as at balance date	\$17.06	\$14.81

¹ Net tangible assets include right-of-use assets and the corresponding lease liabilities arising from application of AASB 16 from 1 July 2019 for leases previously classified as operating leases.

STATUS OF AUDIT
The Half-Year Report is based on accounts that have been reviewed.

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ACN 008 675 689

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2024

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FINANCIAL REPORT

For the Half-Year Ended 31 December 2024

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SCHAFFER CORPORATION LIMITED HALF-YEAR FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2024 made in accordance with a resolution of the Directors.

DIRECTORS

Details of the Directors of the company during the financial half-year and at the date of this report are:

J M SCHAFFER AM
B. Com (Hons.) FCPA
Managing Director
Executive Director since 06/09/1972

Mr John Schaffer AM joined the company in 1972. Mr Schaffer has held the position of Managing Director since 1987 and Chairman since 1988.

D E BLAIN AM
BA
Non-executive Director
Appointed 05/06/1987

Mrs Danielle Blain AM joined the company in 1987. Mrs Blain served as Managing Director of Gosh Leather Pty Ltd from 1993 to 2001. Mrs Blain has diverse experience serving on several government and not-for-profit Boards and is also a past Pro Chancellor of Edith Cowan University.

A K MAYER
Executive Director
Appointed 21/11/2001

Mr Anton Mayer is the Executive Director of Howe Automotive Leather Limited. Mr Mayer has over 50 years' international leather experience, broad business skills and a global business perspective.

D J SCHWARTZ
Non-executive Director
Appointed 29/06/1999

Mr David Schwartz joined the Board as an independent Director in June 1999. He has over 25 years' experience negotiating acquisitions and overseeing the development of property. Over the past 40 years, Mr Schwartz has been involved in many different businesses including property, retail, manufacturing, and distribution.

M D PERROTT AM
BCom, FAIM, FAICD
Non-executive Director
Appointed 23/02/2005

Mr Michael Perrott AM joined the Board as an independent Director in February 2005. Mr Perrott has over 35 years' experience in the construction and contracting industry.

Directors were in office for the entire period unless otherwise stated.

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ATTENDANCE AT BOARD MEETINGS

During the half-year four Directors' meetings were held. The number of meetings attended by each Director is as follows:

	Meetings eligible to attend	Meetings attended
J M Schaffer	4	4
D E Blain	4	4
D J Schwartz	4	4
A K Mayer	4	4
M D Perrott	4	4

AUDIT COMMITTEE

The consolidated entity has an Audit Committee, which operates to oversee the external audit functions of the consolidated entity. During the half-year, one audit committee meeting was held which all members of the audit committee were eligible to attend. The meeting was attended by Mr D J Schwartz, Mr M D Perrott, and Mrs D E Blain.

REVIEW OF OPERATIONS

The consolidated entity's revenue from ordinary activities was similar to the comparative half-year period at \$112,285,000 compared to \$112,894,000. The consolidated net profit after tax attributable to members of the parent entity increased 44% from \$8,835,000 for the comparative period to \$12,742,000.

The result reflects a similar profit to the comparative period for Automotive Leather and a strong result for Delta.

Automotive Leather saw new programs launch during the half while other anticipated program launches were delayed. Sales volume was also impacted by the flooding of a key aluminium supplier for one of our major customers which resulted in the loss of around two months of sales volume on certain key models. The aluminium shortage was resolved during the half, and we anticipate that these sales will be caught up in the second half.

Delta produced a strong result, having benefited from the high level of infrastructure projects in Western Australia. Going forward, however, many of these large-scale projects have been completed and the industry now has excess capacity.

Group Investments' profit increased compared to the comparative half-year mainly due to net unrealised gains on equity investments compared to net unrealised losses in the comparative period.

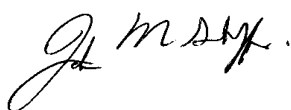
ROUNDING

The amounts contained in this report and in the half-year financial statements have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191. The company is an entity to which this Legislative Instrument applies.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Ernst & Young, as presented on page 23 of this half-year financial report.

Signed in accordance with a resolution of the Directors.



John Schaffer
Managing Director
Perth, 19 February 2025

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

		Dec 2024 \$'000	Dec 2023 \$'000
	Note		
Revenue			
Revenue from contracts with customers	3	107,074	108,002
Rental income	4(a)	3,606	3,485
Dividends and distributions		838	806
Finance income	4(b)	767	601
Total revenue		112,285	112,894
Cost of sales and services rendered		(81,722)	(84,130)
Rental property expenses	4(a)	(1,826)	(1,746)
Gross profit		28,737	27,018
Share of profit in equity accounted investments		739	65
Other income	4(c)	(427)	(2,173)
Marketing expenses		(232)	(269)
Administrative expenses		(6,982)	(8,656)
Profit before tax and finance costs		21,835	15,985
Finance costs	4(b)	(1,766)	(1,784)
Profit before income tax		20,069	14,201
Income tax expense	10	(5,650)	(3,794)
Net profit for the period		14,419	10,407
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation gain/(loss) attributable to parent		1,754	(686)
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Foreign currency translation gain/(loss) attributable to non-controlling interest		153	(58)
Other comprehensive income for the period, net of tax		1,907	(744)
Total comprehensive income for the period		16,326	9,663
Profit for the period is attributable to:			
Non-controlling interest		1,677	1,572
Owners of the parent		12,742	8,835
		14,419	10,407
Total comprehensive income for the period attributable to:			
Non-controlling interest		1,830	1,514
Owners of the parent		14,496	8,149
		16,326	9,663
Earnings per share (EPS)			
Basic EPS	16	93.8¢	65.1¢
Diluted EPS	16	93.8¢	65.0¢
Dividends paid per share	11	45.0¢	45.0¢

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

		Dec 2024 \$'000	Jun 2024 \$'000
ASSETS	Note		
Current assets			
Cash and cash equivalents	5(a)	25,254	31,183
Cash and cash equivalents - controlled equity funds	5(a)	2,481	6,421
Trade and other receivables		29,952	31,981
Inventories	6	49,042	44,861
Current tax assets		1,377	381
Contract assets		2,278	6,601
Prepayments and deposits		5,485	4,549
Financial assets at fair value through profit or loss	12	22,980	18,741
Other financial assets		15,741	1,070
Total current assets		154,590	145,788
Non-current assets			
Inventories	6	884	878
Contract assets		1,996	2,389
Financial assets at fair value through profit or loss	12	48,032	44,140
Other financial assets		2,987	1,638
Property, plant and equipment		18,205	19,162
Investment properties	9	160,977	159,027
Right of use assets		29,504	30,742
Equity accounted investments		8,296	7,849
Deferred income tax asset		4,848	5,155
Goodwill		1,299	1,299
Total non-current assets		277,028	272,279
Total assets		431,618	418,067
LIABILITIES			
Current liabilities			
Trade and other payables		26,484	25,329
Contract liabilities		1,577	1,870
Interest-bearing loans and borrowings	7	13,649	14,765
Lease liabilities		4,645	6,423
Financial liabilities at fair value through profit or loss	12	13,756	11,530
Income tax payable		85	148
Provisions	8	9,374	10,025
Total current liabilities		69,570	70,090
Non-current liabilities			
Interest-bearing loans and borrowings	7	49,226	44,722
Lease liabilities		20,102	19,284
Deferred income tax liabilities		35,273	33,577
Provisions	8	10,623	12,242
Total non-current liabilities		115,224	109,825
Total liabilities		184,794	179,915
Net assets		246,824	238,152
Equity			
Equity attributable to equity holders of the parent			
Issued capital	14	9,925	9,781
Reserves		6,547	4,793
Retained earnings	15	216,663	210,036
Total parent entity interest in equity		233,135	224,610
Non-controlling interests		13,689	13,542
Total equity		246,824	238,152

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Attributable to Equity Holders of the Parent							
	Issued capital	Retained earnings	Reserves			Total	Non-controlling interests	Total equity
			Asset revaluation reserve	Share based payment - EPU's	Foreign currency translation reserve			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2024	9,781	210,036	2,585	(589)	2,797	224,610	13,542	238,152
Profit for the period	-	12,742	-	-	-	12,742	1,677	14,419
Other comprehensive income	-	-	-	-	1,754	1,754	153	1,907
Total comprehensive income for the period	-	12,742	-	-	1,754	14,496	1,830	16,326
Transactions with owners in their capacity as owners:								-
Shares acquired under buy-back scheme	-	-	-	-	-	-	-	-
Employee share options exercised	144	-	-	-	-	144	-	144
Share-based payments	-	-	-	-	-	-	-	-
Equity dividends	-	(6,115)	-	-	-	(6,115)	(1,683)	(7,798)
At 31 December 2024	9,925	216,663	2,585	(589)	4,551	233,135	13,689	246,824
At 1 July 2023	9,921	195,201	2,585	(589)	2,930	210,048	14,884	224,932
Profit for the period	-	8,835	-	-	-	8,835	1,572	10,407
Other comprehensive income	-	-	-	-	(686)	(686)	(58)	(744)
Total comprehensive income for the period	-	8,835	-	-	(686)	8,149	1,514	9,663
Transactions with owners in their capacity as owners:								-
Shares acquired under buy-back scheme	(316)	-	-	-	-	(316)	-	(316)
Employee share options exercised	97	-	-	-	-	97	-	97
Equity dividends	-	(6,113)	-	-	-	(6,113)	(2,518)	(8,631)
At 31 December 2023	9,702	197,923	2,585	(589)	2,244	211,865	13,880	225,745

The Consolidated Statement of Changes in Equity should be read with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

	Dec 2024 \$'000	Dec 2023 \$'000
Note		
Cash flows from operating activities		
Receipts from customers	109,454	117,349
Payments to suppliers and employees	(89,500)	(83,866)
Interest received	617	528
Dividends and distributions received	854	738
Other revenue received	3,416	3,296
Government subsidies	44	40
Interest paid	(1,655)	(1,744)
Income taxes paid	(4,382)	(5,997)
Goods and services tax received/(paid)	311	(200)
Net cash from operating activities	19,159	30,144
Cash flows from investing activities		
Investments in term deposits	(18,880)	(10,147)
Proceeds on maturity of term deposits	3,180	9,642
Acquisition of property, plant and equipment	(918)	(1,067)
Improvements to investment properties	(1,950)	(3,150)
Acquisition of non-current financial assets at fair value through profit or loss	(2,043)	(2,113)
Proceeds on disposal of non-current financial assets at fair value through profit or loss	-	323
Capital returns from financial assets at fair value through profit or loss	47	181
Acquisition of non-current financial assets at amortised cost	(542)	(78)
Acquisition of current financial assets at fair value through profit or loss - controlled equity funds	(11,039)	(11,558)
Proceeds on disposal of current financial assets at fair value - controlled equity funds	7,553	6,813
Net cash used in investing activities	(24,592)	(11,154)
Cash flows from financing activities		
Proceeds from borrowings	3,388	-
Repayment of borrowings	-	(7,010)
Lease principal repayments	(3,543)	(3,270)
Lease principal receipts	1,590	144
Dividends paid	(6,949)	(8,622)
Shares acquired under share buy-back scheme	-	(316)
Proceeds from exercise of employee share options	144	97
Settlement of derivative financial instruments	317	-
Application funds received from investors in controlled equity funds	49	1,450
Net cash used in financing activities	(5,004)	(17,527)
Net (decrease)/increase in cash and cash equivalents	(10,437)	1,463
Net foreign exchange differences	568	(551)
Cash and cash equivalents at the beginning of the period	37,604	39,126
Cash and cash equivalents at the end of the period	5(a) 27,735	40,038

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

NOTES TO THE HALF-YEAR FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

The financial report of Schaffer Corporation Limited and its controlled entities ("the Group or Consolidated Entity") for the half-year ended 31 December 2024 was authorised for issue in accordance with a resolution of the Directors on 18 February 2024. Schaffer Corporation Limited ("the Company") is a for-profit company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The financial report for the half-year ended 31 December 2024 is a general-purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2024 and considered together with any public announcements made by Schaffer Corporation Limited during the half-year ended 31 December 2024 in accordance with the continuous disclosure obligations of the ASX listing rules.

Except as disclosed below, the accounting policies are the same as those adopted in the most recent annual financial report.

(b) Adoption of new and revised accounting standards and interpretations

The accounting policies adopted in the preparation of the half-year report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2024.

The Group adopted all the new and revised standards and interpretations that were effective 1 July 2024, and they did not impact or amend the accounting policies of the Group.

The Consolidated Entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

For the half-year ended 31 December 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	84,065	-	-	84,065
Sale of land	-	449	-	449
Construction services	-	-	19,765	19,765
Transport income	-	-	2,158	2,158
Sale of goods - hospitality business	-	637	-	637
Total revenue from contracts with customers	84,065	1,086	21,923	107,074
Geographical Markets				
Europe	71,690	-	-	71,690
Asia	12,375	-	-	12,375
Australia	-	1,086	21,923	23,009
Total revenue from contracts with customers	84,065	1,086	21,923	107,074
Timing of revenue recognition				
Goods transferred at a point in time	84,065	1,086	-	85,151
Services transferred over time	-	-	21,923	21,923
Total revenue from contracts with customers	84,065	1,086	21,923	107,074
Relating to prior period performance	-	-	-	-
Relating to current period performance	84,065	1,086	21,923	107,074
Total revenue from contracts with customers	84,065	1,086	21,923	107,074

For the half-year ended 31 December 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	92,767	-	-	92,767
Construction services	-	-	10,614	10,614
Transport income	-	-	4,025	4,025
Sale of goods - hospitality business	-	596	-	596
Total revenue from contracts with customers	92,767	596	14,639	108,002
Geographical Markets				
Europe	76,877	-	-	76,877
Asia	15,890	-	-	15,890
Australia	-	596	14,639	15,235
Total revenue from contracts with customers	92,767	596	14,639	108,002
Timing of revenue recognition				
Goods transferred at a point in time	92,767	596	-	93,363
Services transferred over time	-	-	14,639	14,639
Total revenue from contracts with customers	92,767	596	14,639	108,002
Relating to prior period performance	-	-	-	-
Relating to current period performance	92,767	596	14,639	108,002
Total revenue from contracts with customers	92,767	596	14,639	108,002

Impairment losses recognised on receivables and contract assets arising from contracts with customers, included in the Consolidated Statement of Comprehensive Income amount to \$nil for the half-year ended 31 December 2024 (31 December 2023: \$nil).

4. SIGNIFICANT OTHER INCOME AND EXPENSES

Profit before income tax from continuing operations includes the following income and expenses where disclosure is relevant in explaining the performance of the Group:

	CONSOLIDATED	
	Dec 2024	Dec 2023
	\$'000	\$'000
(a) Net rental income		
Rental property income	3,606	3,485
Rental property expenses	(1,826)	(1,746)
Net rental income	1,780	1,739
(b) Finance (costs)/income		
Interest on loans	(1,518)	(1,567)
Interest on leases	(248)	(217)
Total finance costs	(1,766)	(1,784)
Interest on cash and term deposits	767	601
Total finance income	767	601
(c) Other income/(losses)		
Net gain on investment property at fair value through profit or loss	-	379
Net gain/(loss) on financial assets at fair value through profit or loss	1,737	(2,345)
Increase in financial liabilities at fair value through profit or loss	(884)	(91)
Net loss on disposal of property, plant and equipment	(4)	(51)
Government subsidies	18	27
Net loss on derivatives	(1,140)	(172)
Foreign currency losses	(2,100)	(1,403)
Foreign currency gains	1,946	1,483
	(427)	(2,173)
(d) Depreciation, amortisation and impairment included in the consolidated statement of comprehensive income		
Depreciation included in:		
Cost of sales	3,523	3,135
Marketing and administrative expenses	40	39
Total depreciation	3,563	3,174
Amortisation included in:		
Cost of sales	901	1,147
(e) Employee benefits expense included in the consolidated statement of comprehensive income		
Employee benefits included in:		
Cost of sales	18,502	20,550
Marketing and administrative expenses	3,366	3,283
Total employee benefits expense	21,868	23,833
Employee benefits expense comprises:		
Wages, salaries and bonuses	22,489	21,672
Post-employment benefits provisions (decrease)/increase	(1,519)	1,229
Long service leave	80	191
Worker's compensation costs	185	163
Superannuation costs	633	578
	21,868	23,833

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5. CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash and cash equivalents

For the half-year cash flow statement, cash and cash equivalents are comprised as follows:

	CONSOLIDATED	
	Dec 2024	Jun 2024
	\$'000	\$'000
Cash balance comprises:		
Cash at bank and on hand	25,254	31,183
Cash at bank and on hand - controlled equity funds	2,481	6,421
Cash and cash equivalents	27,735	37,604
Closing cash balance per consolidated statement of cash flows	27,735	37,604

The Group controls and manages equity investment funds. Cash held by the controlled equity funds is to be applied by the fund manager to purchase assets in accordance with each fund's mandate.

(b) Non-cash financing and investing activities

	CONSOLIDATED	
	Dec 2024	Dec 2023
	\$'000	\$'000
Reinvestment of distributions from managed investment funds	304	239

(c) Financing facilities available

At balance date, the Group had bank facilities available to the extent of \$99,662,000, (June 2024: \$98,007,000).

The value of unutilised facilities for the Group at balance date was \$25,843,000 (June 2024: \$26,756,000).

6. INVENTORIES

	CONSOLIDATED	
	Dec 2024	Jun 2024
	\$'000	\$'000
Current		
Raw materials – at cost	20,891	20,606
Work in progress – at cost	17,109	15,370
Finished goods – at cost	11,042	8,704
Land held for sale - at cost	-	181
	49,042	44,861
Non-current		
Land held for sale - at cost	884	878
Total inventory	49,926	45,739
	Dec 2024	Dec 2023
	\$'000	\$'000
Inventory recognised as an expense comprises:		
Land	204	8
Automotive leather	62,705	68,304
	62,909	68,312
Inventory write downs recognised as an expense included in the above.	210	731

7. BORROWINGS

	Note	CONSOLIDATED	
		Dec 2024	Jun 2024
		\$'000	\$'000
Current			
Syndicate bank loans - secured		-	1,140
Other bank loan – secured		13,649	13,625
Total current interest-bearing loans and borrowings		13,649	14,765
Non- current			
Syndicate bank loans - secured		22,202	21,101
Other bank loan – secured		8,091	7,843
Revolving loan facility		18,933	15,778
Total non-current interest-bearing loans and borrowings		49,226	44,722
Total interest-bearing loans and borrowings		62,875	59,487

8. PROVISIONS

<i>Provision for employee entitlements</i>			
Current		9,374	10,025
Non-current		10,623	12,242
Total		19,997	22,267

9. INVESTMENT PROPERTIES

Opening balance		159,027	140,458
Additions and improvements		1,950	5,143
Net gain on investment property at fair value through profit or loss		-	13,426
Closing balance		160,977	159,027

10. INCOME TAX

	Note	CONSOLIDATED	
		Dec 2024	Dec 2023
		\$'000	\$'000
Current tax expense			
Current year		3,954	4,507
Changes in estimates related to prior years		(309)	(324)
		3,645	4,183
Deferred tax expense			
Origination and reversal of temporary differences		2,005	(389)
Income tax expense recognised in profit or loss		5,650	3,794

11. DIVIDENDS PAID

	Note	Dec 2024	Dec 2023
		\$'000	\$'000
Interim dividend paid in September 2024		6,115	
Per share (c)		45	
Interim dividend paid in September 2023			6,113
Per share (c)			45
Fully franked dividends paid by the parent		6,115	6,113
Fully franked dividend paid by controlled entities to minority shareholders		1,683	2,518
Total fully franked dividends paid		7,798	8,631

12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Set out below, is an overview of financial assets at fair value through profit or loss held by the Group at 31 December 2024 and 30 June 2024:

	Note	CONSOLIDATED	
		Dec 2024 \$'000	Jun 2024 \$'000
Financial assets at fair value through profit or loss			
Current			
Listed equity shares and options held by controlled equity funds		22,980	16,496
Convertible notes		-	1,998
<i>Derivatives not recognised as hedging instruments</i>			
Forward exchange contracts		-	247
		22,980	18,741
Non-current			
Listed equity shares		1,191	1,062
Unlisted investments in property unit trusts and LLCs		20,907	18,750
Unlisted units in managed equity funds		9,553	8,677
Unlisted equity shares		12,041	13,498
Convertible notes		3,991	1,589
<i>Derivatives not recognised as hedging instruments</i>			
Interest rate swaps		349	564
		48,032	44,140
Total financial assets at fair value through profit or loss			
		71,012	62,881

Set out below, is an overview of financial liabilities at fair value through profit or loss held by the Group at 31 December 2024 and 30 June 2024:

	CONSOLIDATED	
Financial liabilities at fair value through profit or loss		
Current		
Short equity positions held by controlled equity funds	963	471
Forward exchange contracts	826	3
Net assets attributable to external investors in the controlled equity funds	11,967	11,056
Total financial liabilities at fair value through profit or loss	13,756	11,530

12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The fair value of the financial instruments carried at fair value, as well as the methods used to estimate the fair value, are summarised in the table below:

	Quoted market price (Level 1) \$'000	Valuation technique market observable inputs (Level 2) \$'000	Valuation technique non- market observable inputs (Level 3) \$'000	Total \$'000
Period ended 31 December 2024				
Consolidated				
Financial assets				
<i>Financial assets at fair value</i>				
Listed investments	23,932	238	-	24,170
Unlisted investments	-	10,235	36,258	46,493
Derivative financial assets	-	349	-	349
	23,932	10,822	36,258	71,012
Financial liabilities				
<i>Financial liabilities at fair value</i>				
Listed financial instruments	963	-	-	963
Derivative financial liabilities	-	826	-	826
Net assets attributable to external investors in the controlled equity Funds	-	11,967	-	11,967
	963	12,793	-	13,756
Year ended 30 June 2024				
Consolidated				
Financial assets				
<i>Financial assets at fair value</i>				
Listed investments	17,373	184	-	17,557
Unlisted investments	-	9,326	35,187	44,513
Derivative financial assets	-	811	-	811
	17,373	10,321	35,187	62,881
Financial liabilities				
<i>Financial liabilities at fair value</i>				
Listed financial instruments	471	-	-	471
Derivative financial liabilities	-	3	-	3
Net assets attributable to external investors in the controlled equity funds	-	11,056	-	11,056
	471	11,059	-	11,530

Reconciliation of the fair value measurement of Level 3 unlisted investments

	CONSOLIDATED	
	Dec 2024 \$'000	Jun 2024 \$'000
Balance at the start of the financial period	35,187	34,773
Purchases:		
Convertible notes	-	1,000
Managed equity funds	223	224
Unlisted shares	-	259
Unlisted property unit trusts and LLCs	1,011	2,940
Proceeds from divestments	-	(426)
Capital distributions	(49)	(3,038)
Foreign currency translation adjustment	1,037	25
Remeasurement recognised in profit and loss	(1,151)	(570)
Balance at the end of the financial period	36,258	35,187

13. NET ASSETS HELD IN CONTROLLED FUND

The Group has acted as Trustee and Fund Manager for managed equity funds under the control of the Group. At 31 Dec 2024, the controlled funds and the Group's holding of units therein were as follows:

- (i) SFC Global Equities Fund – 49% (30 June 2024: 49%)
- (ii) SFC Global Fallen Angels Fund – 67% (30 June 2024: 67%)

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.

	Dec 2024 \$'000	Jun 2024 \$'000
Net assets in controlled equity funds attributable to shareholders of the Group	12,180	11,272
Net assets in controlled equity funds attributable to external investors	11,967	11,058
Net assets held in controlled equity funds	24,147	22,330
Comprising:		
Current assets		
Cash and cash equivalents - controlled equity funds	2,481	6,421
Financial assets at fair value through profit or loss	22,980	16,496
Other financial assets	51	88
Total current assets	25,512	23,005
Current liabilities		
Trade and other payables	402	204
Financial liabilities at fair value through profit or loss	963	471
Total current liabilities	1,365	675
Net assets held in controlled equity funds	24,147	22,330

14. CONTRIBUTED EQUITY

	Dec 2024 \$'000	Jun 2024 \$'000
a) Issued and paid-up capital		
Ordinary fully paid shares	9,925	9,781

15. RETAINED PROFITS

Retained earnings		
Balance at the beginning of the period	210,036	195,201
Net profit attributable to members of the parent entity	12,742	27,051
Dividends provided for or paid	(6,115)	(12,216)
Balance at the end of the period	216,663	210,036

16. EARNINGS PER SHARE (EPS)

Details of basic and diluted EPS reported separately are as follows:

	CONSOLIDATED	
	Dec 2024	Dec 2023
Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year (in cents).	93.8c	65.1c
Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares (in cents).	93.8c	65.0c

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

	\$'000	\$'000
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net profit attributable to ordinary equity holders of the parent from continuing operations	12,742	8,835

	Number of Shares	
	Dec 2024	Dec 2023
Weighted average number of ordinary shares for basic earnings per share	13,580,756	13,574,057
Weighted average number of ordinary shares adjusted for the effect of dilution	13,580,756	13,590,807

17. SEGMENT INFORMATION

(a) Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of the product and customer supplied, and services provided and the identity of service line manager. Discreet financial information about each of these operating businesses is reported to the executive management team monthly.

The reportable segments are based on aggregated operating segments determined by the similarity of economic characteristics, the products produced and sold and/or the services provided, as these are the sources of the Group's major risks and have the most effect on the rates of return.

The Group comprises the following reportable segments:

The **Automotive Leather** segment is a manufacturer and supplier of leather in the global automotive industry.

The **Group Investments** segment includes the Group's share of syndicated property, 100% owned investment property, investments in managed equity funds and direct investment in global equity instruments. The activities of the segment include the leasing of office, industrial, residential and retail properties, the development and sale of property assets, funds management and general investing.

The **Building Materials** segment comprises Delta Corporation Limited which produces and sells pre-cast and pre-stressed concrete elements.

(b) Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those discussed in note 2 to the accounts and in the prior period. There are no inter-segment transactions.

(c) Allocation of assets

It is the Group's policy that if items of revenue and expense are not allocated to operating segments, then any associated assets are also not allocated to segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent.

(d) Basis of segmentation and measurement of segment profit

There has been no change in the basis of segmentation or in the basis of measurement of segment profit from those used in the last annual financial statements.

17. SEGMENT INFORMATION (continued)

The following table presents revenue and profit information regarding segments for the half-year periods ended 31 December 2024 and 31 December 2023.

	Automotive Leather		Group Investments		Building Materials		Consolidated	
Business segment information	Dec 2024 \$'000	Dec 2023 \$'000	Dec 2024 \$'000	Dec 2023 \$'000	Dec 2024 \$'000	Dec 2023 \$'000	Dec 2024 \$'000	Dec 2023 \$'000
Revenue								
Revenue from contracts with customers	84,065	92,767	1,086	596	21,923	14,640	107,074	108,002
Other revenue	1	11	5,162	4,832	48	48	5,211	4,892
Total revenue	84,066	92,778	6,248	5,428	21,971	14,688	112,285	112,894
Results								
Profit/(loss) attributable to owners of the parent	7,845	7,830	2,325	477	4,230	2,220	14,400	10,527
Unallocated items								
Corporate overheads							(2,369)	(2,417)
Income tax benefit							711	725
Profit after tax							12,742	8,835

The following table presents assets held within the Group's operating segments as at 31 December 2024 and 30 June 2024.

	Automotive Leather		Group Investments		Building Materials		Consolidated	
Assets								
Total segment non-current assets	43,972	46,266	220,797	213,256	10,951	11,454	275,720	270,976
Unallocated items							1,308	1,303
Total non-current assets							277,028	272,279
Total segment assets	139,425	136,752	270,846	259,766	19,382	19,752	429,653	416,270
Unallocated items							1,965	1,797
Total assets							431,618	418,067
Liabilities								
Segment liabilities	82,079	79,875	75,763	72,569	4,110	5,795	161,951	158,239
Unallocated items							22,843	21,676
Total liabilities							184,794	179,915

18. COMMITMENT AND CONTINGENT LIABILITIES

At 31 December 2024, the Group had capital commitments of \$2,693,000 (31 December 2023: \$1,580,000) in respect of the purchase of plant and equipment. The Group also had capital commitments of \$2,680,000 (31 December 2023: \$958,000) in respect of investment and property development.

Other than the above, the Group had no material changes to commitments or contingent liabilities from those disclosed in the last annual report.

19. SUBSEQUENT EVENTS

Subsequent to the end of the half-year, the Group declared a dividend of 45¢ per share totalling \$6,116,000 payable on 14 March 2025.

There has not been any other matter or circumstance in the interval between the end of the half-year and the date of this report that 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 subsequent financial periods.

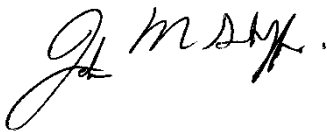
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Schaffer Corporation Limited, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the financial position as at 31 December 2024 and the performance for the half-year ended on that date of the Group; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; 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.

On behalf of the Board



John Schaffer AM
Managing Director

Perth, 19 February 2025

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Auditor's Independence Declaration to the Directors of Schaffer Corporation Limited

As lead auditor for the review of the half-year financial report of Schaffer Corporation Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Schaffer Corporation Limited and the entities it controlled during the financial period.

Ernst & Young

Timothy G Dachs
Partner
19 February 2025



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Independent auditor's review report to the Members of Schaffer Corporation Limited

Conclusion

We have reviewed the accompanying half-year financial report of Schaffer Corporation Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising 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 the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 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* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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



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Auditor's responsibilities for the review of the half-year financial report

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

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

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'Timothy G Dachs'.

Timothy G Dachs
Partner
Perth
19 February 2025