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Coventry Group Ltd

ABN 37 008 670 102

Results for announcement to the market
Full Year Ended 30 June 2021

			$'000
Revenue	Up	16.5% to	288,522
Profit before interest, taxes, depreciation and amortisation from continuing operations	Up	N/A	8,862
Profit before tax	Up	N/A	3,804
Profit after tax attributable to members	Up	N/A	7,246

Dividends (distributions)

	Amount per security	Franked amount per security
Final dividend	3.0 cents	100%
Record date for determining entitlements to the dividends	30 September 2021	
Date the dividends are payable	15 October 2021	

Dividend reinvestment plan (DRP)

The Company has updated and reinstated its Dividend Reinvestment Plan to enable eligible shareholders to reinvest their dividend in additional shares in the Company.

Net Tangible Assets Per Security

As at 30 June 2021	0.41
As at 30 June 2020	0.39

The financial statements have been audited and an unmodified opinion has been issued.

Coventry Group Limited advises that its Annual General Meeting will be held on Friday 22 October 2021. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all Shareholders and released to the ASX after dispatch.

In accordance with ASX Listing Rules, valid nominations for the position of Director are required to be lodged at the registered office of the Company by 5.00pm (AEST) 3 September 2021.

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Coventry Group Ltd

ANNUAL REPORT

2021

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Coventry Group Ltd

Our Values

At Coventry Group, we value
Fairness, Integrity, Respect, Safety and Teamwork.

Above all, we value
Our People, Our Customers and Our Suppliers.

Coventry Group Ltd and its controlled entities

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Chairman's Report

The 2021 financial year was certainly one none of us will forget in a hurry. Like so many businesses, Coventry faced severe macroeconomic and community uncertainty as Government imposed lockdowns and restrictions across Australia and New Zealand forced radical change to business operations and, more generally, our way of life. This has been enormously challenging for our management team, led by our CEO and Managing Director Robert Bulluss, and I unreservedly commend he and his team for their leadership, flexibility, commitment and resilience in meeting and overcoming the challenges put in their path. The human toll of the pandemic we are all living through is difficult to measure but I can confidently say the health and safety of our colleagues throughout the business, our customers who rely on our products and services and all other stakeholders, has been and continues to be one of our top priorities.

Despite the extraordinary challenges of the period, the Group continued to improve its financial performance in 2021. Most parts of our business performed well in somewhat surprisingly buoyant and resilient markets despite considerable operational disruption and uncertainty. All had revenue and contribution growth year on year. Both acquisitions made during the period, H.I.S. Hose in Victoria and Fluid Power Services in Tasmania, are performing to expectations, are integrating well and have been earnings accretive.

I'm pleased to call out the results from our Australian Konnect and Artia network which has improved considerably after years of substantial losses. It has produced a small positive contribution to the Group result in 2021, which is a $3m improvement on the previous period. This does not mean "job done" at Konnect and Artia Australia but after years of turnaround work, its vastly improved value proposition is being recognised by an expanding and loyal customer base. Getting back to profitability is the first financial stage gate and we believe we have the strategy to continue to grow the contribution from this material and once very profitable part of the business.

For the last time I will reference what we at Coventry have referred to as our base year of 2017. In May 2017 we made the pivotal appointment of our CEO and Managing Director and it is he who has led the revitalising of the Group. In 2021, sales of $288.5m and an underlying EBITDA of $13.4m represents a substantial turnaround from 2017, a year which marked a low point in the Group's financial performance with sales from continuing operations sinking to $151m and a statutory loss after tax of $37.7m. Underlying EBITDA of $13.4m in 2021 is a $6.8m (100%) improvement on 2020.

Fluid Systems had record financial results in 2021. Fluid Systems has an excellent reputation in the markets in which it operates and continues to be well led with a professional, stable and experienced team. Torque Industries, acquired in 2018, traded strongly and we are very pleased with its contribution. We continue to consider emerging acquisition opportunities in the markets in which Fluid Systems operate.

Trade Distribution comprises our Australian and New Zealand network of Konnect, Artia and Nubco branches, which are serviced by a number of distribution centres. In addition, we have a growing digital presence which the CEO and Managing Director will talk to in his report.

Our New Zealand network continues to be well led by a stable and experienced team which has dealt with COVID uncertainty and emerging supply chain issues with measured and considered professionalism. Contribution was up on last year on solid sales improvement.

Our Australian Nubco network (acquired in 2019) recorded strong sales and contribution growth for the year. It has been a great fit for the Group and, under new leadership, has produced record results.

In all our Trade Distribution networks opportunities for greenfield and acquisition growth exists. Our challenge is to action the most compelling opportunities within the constraints of prudent capital management.

I am delighted to advise we have had considerable success in the past six months in sub-letting major parts of our Redcliffe, Perth property, with its single term of 20 years expiring in December 2027. This legacy property arrangement has been a great financial burden for many years however the current tenancy profile is the best it has been for some time.

The Group continues to have a strong working capital position with Current Assets exceeding Current Liabilities by $33.5m and net debt at financial year end of $16.3m. The Group has substantial Australian tax losses of $77.3m against which a Deferred Tax Asset of $18.1m has been recognised in its Statement of Financial Position.

We are very pleased to now be partnering with the National Australia Bank (NAB) and, during the period, entered into a new three-year financing arrangement. The NAB financing agreement provides a holistic banking offering which includes a three year $45m Borrowing Base Facility against eligible inventory and debtors and a $5m Standby Letter of Credit to provide security for Transactional Banking, Bank Guarantees, FX, and any other transactional facilities required by Coventry Group.

The Company Executive and Director Incentive Plan provides for the granting or issuing of performance rights to eligible Executives in accordance with its terms and subject to the terms and performance hurdles set by the Board. The CEO and Managing Director's total remuneration includes a Plan award and, as required by the ASX Listing Rules, the Company will seek shareholder approval to grant him Performance Rights for his participation in the Plan for 2022. Full particulars will be published in the Notice of Annual General Meeting for the meeting to be held on 22 October 2021.

Given improving financial results, the Board has determined that we are able to recommence dividend payments with a final dividend of 3 cents per share fully franked. The Company has updated and reinstated its Dividend Reinvestment Plan to enable eligible shareholders to reinvest their dividend in additional shares in the Company.

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I would like to thank my Board colleagues for their contribution to the improving fortunes of the Company. On behalf of the Board, I would like to thank our colleagues throughout the business for their commitment to the business and its values and for their part in helping to deliver improved financial results in FY21. To our shareholders, a special thanks for their ongoing support of Coventry Group.

Outlook

Our best view of 2022, is that the momentum the Group currently has, will largely continue, that we continue to deliver well on tactical plans aligned with our strategy and that the markets in which we operate remain buoyant. However, given continuing macroeconomic and social COVID-19 related disruption and uncertainty, we will not be providing full year guidance but will continue to provide quarterly trading updates to the market.

Neil G. Cathie
Chairman of the Board of Directors

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Chief Executive Officer's Report

We are pleased to report that Coventry Group's sales and EBITDA performance improved for a fourth consecutive year. The Group has produced an EBITDA turnaround of $23.1m in four years despite the many challenges faced during this time. The FY21 result has been achieved against the on-going backdrop of the COVID-19 pandemic which has presented us with human resource, supply chain, operational and customer service challenges. We remain confident that we have the right strategy, the right people and operate in the right markets to continue our journey of sustainable profitable growth. Our consistent delivery of sales growth and improved profit results are proof that our strong value proposition and dedication to our core values deliver results.

I would like to acknowledge the leadership provided by the Coventry Leadership Team (CLT) and the efforts, skill and resilience of our people in executing our strategy. This has been a difficult year for everyone from a personal and business perspective, yet our people who are central to the success of the Group, continue to improve the business and deliver strong results.

The COVID-19 pandemic has been ever present during the year. Our business model has been adapted to manage lockdowns and restrictions as they occur. Global supply chain issues, stock shortages, cost increases (particularly in steel related products) and increased overseas freight costs are being managed to minimise the impact on our customers. We are operating the Group as close as possible to business as usual.

The Group has continued to prioritise the health, safety and well-being of our people along with our customers, suppliers and communities. During FY21, we launched our new Safety 1st awareness program. Our aspiration is for zero LTI's and zero impact on our people. We had 7 Lost Time Injuries (LTI's) down from 13 in the previous year. All incidents and serious near misses are reviewed by our safety team and the CLT to ensure we share lessons and improve safety systems. During the year we have appointed additional experienced safety professionals to improve health, safety and well-being outcomes and adapt to the changing environment we work and live in.

During the year we refreshed our vision and values of Fairness, Integrity, Respect, Safety and Teamwork (FIRST). We live our values and do the right thing in all our dealings with our people, customers and suppliers. Despite a competitive recruitment market, our reputation for having a values-based culture is attracting quality people into the organisation. Our employee retention and engagement results continued to improve during the year. A recent employee engagement survey revealed we have 84% of our people actively engaged and only 1% disengaged.

Our strong sales growth results across all business units are evidence that our customer service levels continue to improve. We provide customer service excellence through quality products, stock availability, expertise, agility and our geographic coverage. Each business unit is building their traditional customer base as well as winning customers in new markets. Our capability continues to grow in the infrastructure and construction markets.

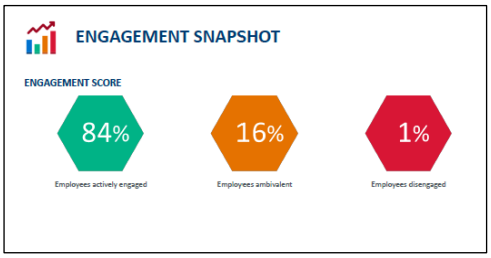
Fluid Systems (FS), which comprises our Cooper Fluid Systems (CFS), Torque Industries (Torque), H.I.S. Hose (HIS) and Fluid Power Services (FPS) businesses delivered another excellent result. FS designs, manufactures, sells and services hydraulics, lubrication, fire suppression and refuelling systems and products through 16 branches across Australia. FS had strong sales and EBITDA growth, integrated the Torque business, completed the acquisitions of HIS and FPS and opened a new branch in Port Hedland. FS are positioned for further growth in coming years as we expect their core markets of mining and resources, defence and agriculture to perform well.

Trade Distribution (TD) comprises our network of Konnect and Artia Australia (KAA), Konnect and Artia New Zealand (KANZ) and Nubco branches. TD supplies a range of fastening systems, cabinet hardware systems and industrial and construction products through a network of 65 branches.

KANZ had another positive year despite real challenges in the last quarter, which was impacted by global supply chain issues. KANZ delivered positive sales and EBITDA growth. The opening of a new branch in Invercargill late in FY21 takes our branch footprint to 16. Our markets in New Zealand are performing well.

Significant achievements over the last four years

- Sales growth of $137.5m from $151.0m to $288.5m.
- EBITDA growth from a loss of -$9.7m to $13.4m and EBITDA % from -6.4% to 4.6%
- KAA returned to profit after 10+ years of losses
- Transformed the culture in the Group based on our core values
- Completed four acquisitions – Torque Industries, Nubco, H.I.S. Hose and Fluid Power Systems
- Divested the AA Gaskets business
- Navigated the COVID-19 pandemic and cyber-attack in 2018
- Secured banking arrangements with the NAB



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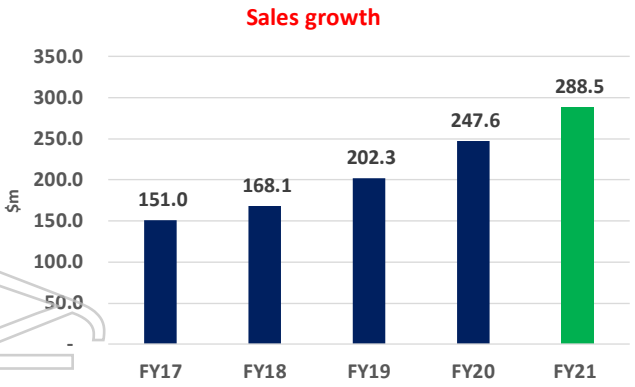

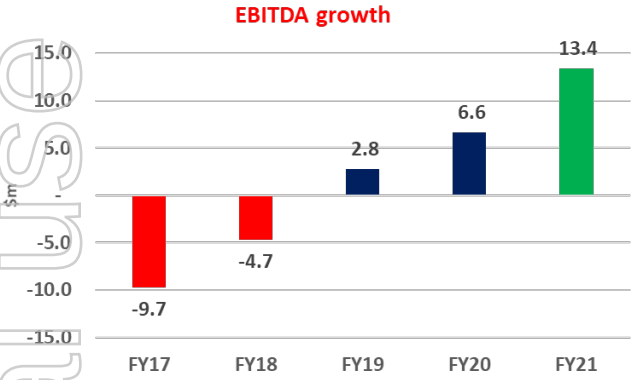

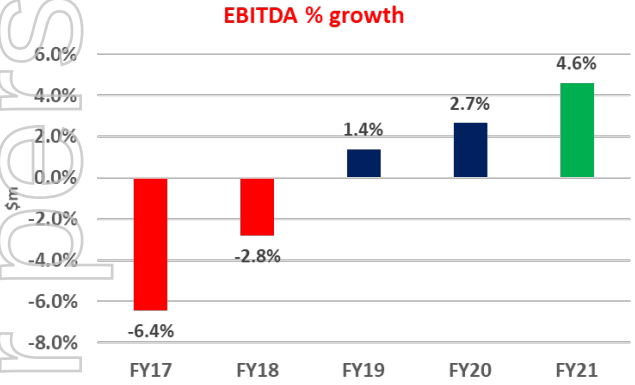

FY21 was a breakthrough year for KAA returning a small profit for the first time in over ten years. We now have the platform to continue to build KAA on its journey of sustainable profitable growth. During the last quarter we transitioned Chris Smith (previously Regional Manager – Queensland) into the General Manager role following a comprehensive handover from Peter Shaw who is retiring. I would like to thank Peter for his considerable contribution to the turnaround in KAA. His leadership has been critical as we have negotiated the COVID-19 situation and he has been instrumental in returning KAA to a profit and to the overall results of the Group.

Nubco delivered very strong sales and EBITDA growth. Nubco has been an excellent acquisition for the Group exceeding expectations in FY21. The Tasmanian economy is robust and despite supply chain challenges and steel shortages, we are confident we can continue to grow in this market.

Our Sustainability pillars of Health and Safety, People, Community, Environment and Government completed many initiatives throughout the FY21 year. We implemented the 'Safety 1st' culture into the business with dedicated HSE personnel in each of the businesses. Our People workstream presented long service awards, conducted annual performance reviews and awarded several CEO recognition awards. We developed Workplace Giving and Matched Giving charity programs within our Community workstream and from an Environmental perspective, we began the research to obtain our baseline of waste data and our carbon footprint. Our Governance workstream completed quarterly risk reviews and published our first Modern Slavery Statement.

Our Digital Customer Engagement (DCE) project to deliver on-line and mobility solutions for customers, a Customer Relationship Management (CRM) system and a user-friendly Point of Sale (POS) module has continued. During the year our Artia internet ordering sites went live and we are in the process of launching our Konnect internet ordering sites. Sales from our on-line channel are increasing and will accelerate as the project roll out continues and our digital marketing capability grows.

The IT team led by Ken Lam worked on numerous projects during the year including the move to cloud-based systems enabling closure of the costly data centres, the DCE project, integration of acquisition systems and networks, enhancing legacy computer systems and supporting many other business improvement projects. The team is constantly working on ensuring our security systems are updated to manage the ever-present cyber security risk and to ensure our teams can operate remotely safely and effectively.

The capability of our central services teams (Finance, Accounts Payable, Accounts Receivable and Payroll) has improved despite the need for the teams to operate from home for the majority of the year. The team is working on many projects to improve the productivity and efficiency of the team and business. The Accounts Receivable team continued to deliver outstanding collection performance.

Our market leading businesses, FS, Nubco and KANZ, are well placed to continue to grow and perform well. KAA has the building blocks in place for another year of sales and profit growth. We remain confident that our strategy for KAA will deliver a market leading specialist fastener distribution business. The future is not without challenges with COVID-19 ever present, global supply chain issues and material shortages, competition for labour and cost inflation all requiring significant management attention. The resilience of our people has been outstanding and we are confident that they will continue to successfully navigate the headwinds we are faced with.

We remain fully focussed on our People, Customers and our Suppliers, and applying our values of Fairness, Integrity, Respect, Safety and Teamwork.

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COVID-19

All business units are operating with COVID-safe plans. We are well prepared to respond to any localised restrictions and lockdowns. The business is managing the implications of the pandemic including:

- The lockdown and temporary shutdown of parts of our operations and markets.
- Supply chain issues resulting from shipping constraints and raw material shortages due to global demand. Shipping constraints are the result of a lack of shipping space and container availability, port congestion, industrial action and technology issues at Auckland's port.
- Cost increases due to rises in the cost of raw materials and stock shortages, particularly with steel related products.
- The impact on the health and well-being of our people resulting from the restrictions and lockdowns.

Our number one priority is always the health and safety of our people and their families.

Business Performance

Trading performance improved during FY21 with the Group delivering underlying profitability growth for both EBITDA and EBIT. We are pleased to deliver an improved result without COVID-19 related assistance from the Australian and New Zealand Governments.

Group sales growth for FY21 including acquisitions of 16.5% and excluding acquisitions of 13.6% on the prior year. Group sales including acquisitions at $288.5m ($247.6m FY20). Group underlying EBITDA of $13.4m ($6.6m FY20), a $6.8m improvement year on year. Group underlying EBIT of $10.6m ($4m FY20). Reported net profit for the year of $7.2m (Net loss -$0.5m FY20).

The Group has a solid balance sheet with Net Assets of $109.8m and Net Tangible Assets of $36.8m as at 30 June 2021. At 30 June 2021 the Group had net debt of $16.3m.

Performance by Division

Fluid Systems

Fluid Systems (FS), led by Bruce Carter and his leadership team, have had another excellent year with strong sales and EBITDA growth in Cooper Fluid Systems (CFS) and Torque Industries. The H.I.S. Hose and Fluid Power Services businesses acquired during the year have performed to expectations and are excellent additions to the business.

FS had full year sales growth of 24.1% including acquisitions on the prior year and 16.4% excluding acquisitions on the prior year. The result included a large $7.9m order that was the culmination of a number of years of work. Sales growth is being driven by our customer value proposition, ability to win major contracts, market leading position in mining and resources and diversification into agriculture, defence, transport and recycling markets. Underlying EBITDA in FY21 of $13.8m compared to $10.3m in FY20.

During the year we opened a new branch in Port Hedland and relocated the H.I.S. Hose Dandenong branch.

We are cautiously optimistic about further growth in FS in FY22 as a result of the strong mining and resources sector, our ability to increase market share through our value proposition, expansion of our product and service offering, expanding our hydraulics capabilities and further diversification into sectors outside of the mining and resources sector. FS's suppliers are facing supply chain issues and raw material shortages which we need to manage carefully. As FS has demonstrated through various cycles, it has the capability to scale according to prevailing market conditions.

We are actively looking for further acquisitions that meet our criteria.

Trade Distribution (TD)

TD sales for the year were up 11.8% on the prior year. The underlying EBITDA for TD was $11.7m compared to $6.7m in FY20.

Konnect and Artia New Zealand (KANZ)

KANZ had a solid year of sales and profit growth. Led by Mike Wansink and the KANZ leadership team the business has continued to grow in its traditional markets and expand our presence in the construction market. The last quarter of the year has seen the business impacted by supply chain issues and stock shortages in some key lines. We expect this to continue in the first half of FY22 but remain optimistic we will continue to grow sales and profit.

KANZ is the leading fastening systems business in the construction and roofing and cladding markets in New Zealand. Future growth is expected to come from a combination of organic sales growth, store makeovers, on-line sales, the potential for further branches in new locations, the potential for acquisitions and expanding the product range.

Konnect and Artia Australia (KAA)

Whilst it has taken longer than anticipated, we are pleased to announce that after 10 years of significant losses KAA generated a small profit in FY21. Achieving the break-even point was a significant milestone for the business. We are confident that we have the right people, the right strategy and operate in resilient markets to deliver momentum for further sales and profit growth in FY22 and beyond.

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Key activities in FY22 will include:

- Continuing to improve our value proposition by expanding our range of quality products, continuing to build our supplier relationships, ensuring our stock availability and DIFOT levels in the branch network remain high, increasing the level of expertise in the business through training and development and adapting to providing agile service in the changing business environment.
- Our business development teams will continue to expand our presence in infrastructure projects and major contract and tender opportunities.
- Increasing marketing and promotional activities.
- Opening new stores, store relocations and store makeovers. During the year we opened a branch in Mount Gambier and have plans for a minimum of two additional branches in FY22. A number of stores will either be relocated to better facilities and locations or improved through store makeovers including store merchandising and wider product ranges.
- Reviewing and refining pricing strategies and tools.
- Growing sales through our on-line ordering platforms for Konnect and Artia.
- Sensible cost management to continue.

Nubco

Our network of seven Nubco branches in Tasmania had an excellent year with very strong sales and profit growth. Nick Daw and the leadership team have worked hard to improve business culture based on the Coventry values and this has resulted in improved employee retention and engagement results. Safety systems have been improved with only one LTI for the year compared to seven in FY20.

Nubco is currently being impacted by steel shortages and cost increases. The leadership team are spending a significant amount of time minimising the impact on our customers and the business. Despite this, Nubco is well placed to take advantage of the strong economy in Tasmania.

Corporate Costs

Corporate costs are currently running at 4.7% of sales (4.7% FY20). We expect productivity projects using technology will allow us to reduce corporate cost % to sales in FY22.

As mentioned in the Chairman's report we are pleased to have secured additional sub tenants for the Redcliffe facility easing the financial burden of the property on the Group. The lease on this property ends on 31 December 2027.

Significant items

The FY21 result was impacted by a number of one-off significant items:

- Share based payments relating to prior years ($0.6m) non-cash
- Borrowing costs ($0.4m)
- Cloud based computing costs required due to change in accounting standard ($0.5m) non-cash
- Restructuring and other costs ($0.8m).

Net Assets/Working Capital

The Group has a solid balance sheet with Net Tangible Assets of $36.8m and Net Assets of $109.8m compared to $100.9m in FY20. Initiatives to reduce working capital and maximise cash generation remain a key focus area for the Group. The Group continues to take action to manage inventory levels, collections and operating costs to improve our cash position.

The Group has tax losses of $77.3m available for use in Australia and franking credits of $11.1m available at balance date.

Net debt position

Net debt of $16.3m at 30 June 2021 (net debt of $3.3m at 30 June 2020).

Net debt was impacted by:

- Acquisition related payments ($7.6m)
- Increasing stock holdings to maintain service levels during FY21 due to global supply chain issues ($5.5m)
- Capital expenditure ($3.5m).

Our priority has been to maintain service levels to our customers. In FY22 we will continue to take action to reduce inventory levels, tightly manage collections and manage operating costs to improve our cash position.

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Banking arrangements

During the year our CFO, Rod Jackson, successfully negotiated new banking arrangements for the Group.

Coventry Group has entered a new three-year financing arrangement with the National Australia Bank (NAB). The financing agreement provides a holistic banking offering including:

- A three year $45m Borrowing Base Facility against eligible inventory and debtors.
- A $5m Standby Letter of Credit to provide security for Transactional Banking, Bank Guarantees, FX, and any other transactional facilities required by Coventry Group. The intention is for these facilities to transition to the NAB over the next three months.

We are very pleased to be partnering with the NAB.

Outlook

The markets in which FS and TD operate are to date performing well and our view of FY22 is that the momentum the Group currently has will largely continue despite the COVID-19 pandemic, supply chain and macroeconomic headwinds we are facing. We remain confident that we have the right strategy, the right people and operate in the right markets to continue our journey of sustainable profitable growth.

I would like to acknowledge the support received from the Board and thank the Coventry Leadership Team and every person in the Group for their contribution during the year. We have faced unique challenges during the year and responded well, particularly in the face of the COVID-19 pandemic which we hope will be a once in a lifetime event.

We remain confident that we will deliver sustainable profitable growth to our shareholders. It is pleasing after many years to deliver a dividend to our shareholders.

Regardless of the challenges we face we will stay true to our values and do the right thing.

Robert J. Bulluss
Chief Executive Officer and Managing Director

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Coventry Group Ltd and its controlled entities
Consolidated statement of profit or loss
For the year ended 30 June 2021

	Note	2021	2020*
		$'000	$'000
Revenue from sale of goods		**288,522**	247,567
Cost of sales		**(178,366)**	(154,473)
Gross profit		**110,156**	93,094
Other income		**3,002**	3,582
Employment costs	5	**(64,030)**	(57,751)
Depreciation and amortisation expense		**(11,819)**	(11,969)
Occupancy costs		**(2,008)**	(666)
Communication costs		**(3,373)**	(3,120)
Freight		**(6,889)**	(5,008)
Vehicle operating costs		**(1,814)**	(1,847)
Impairment and significant items	27	**(2,344)**	(21,734)
Other expenses		**(11,250)**	(8,632)
Profit/(loss) before financial income and tax		**9,631**	(14,051)
Financial income	6	**281**	573
Financial expense	6	**(6,108)**	(5,332)
Net financial expense	6	**(5,827)**	(4,759)
Profit/(loss) before income tax		**3,804**	(18,810)
Income tax benefit/(expense)	7	**3,442**	18,355
Profit/(loss) for the year		**7,246**	(455)
Earnings/(loss) per share:			
Basic earnings/(loss) per share:	8	**8.1 cents**	(0.5) cents
Diluted earnings/(loss) per share:	8	**7.9 cents**	(0.5) cents

The consolidated statement of profit or loss is to be read in conjunction with the accompanying notes to the consolidated financial statements.

** The comparative information has been restated on account of a change in accounting policies. See Note 29.*

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Coventry Group Ltd and its controlled entities
Consolidated statement of comprehensive income
For the year ended 30 June 2021

	Note	2021 $'000	2020* $'000
Profit/(loss) for the year		**7,246**	(455)
Other comprehensive income/(loss) items that may be reclassified to profit or loss:			
Foreign currency translation differences		**(166)**	(418)
Effective portion of changes in fair value of cash flow hedges		**32**	(96)
Deferred tax recognised in equity		**338**	-
Other comprehensive income/(loss) for the year, net of income tax		**204**	(514)
Total comprehensive income/(loss) for the year		**7,450**	(969)

The consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes to the consolidated financial statements.

** The comparative information has been restated on account of a change in accounting policies. See Note 29.*

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Coventry Group Ltd and its controlled entities
Consolidated statement of financial position
As at 30 June 2021

	Note	2021 $'000	2020* $'000
Assets			
Cash and cash equivalents	9	**8,221**	7,542
Trade and other receivables	10	**43,464**	33,549
Inventories	11	**63,913**	53,560
Other financial assets	10	**3,958**	2,133
Other current assets	10	**3,481**	3,421
Income tax refundable		**200**	23
Total current assets		**123,237**	100,228
Other receivables	10	**1,817**	1,828
Deferred tax assets	7	**23,778**	19,545
Property, plant and equipment	13	**9,180**	6,777
Right-of-use assets	14	**41,449**	39,835
Intangible assets	15	**49,211**	46,122
Total non-current assets		**125,435**	114,107
Total assets		**248,672**	214,335
Liabilities			
Trade and other payables	17	**49,117**	40,846
Employee benefits		**6,773**	5,821
Interest-bearing loans and borrowings	18	**24,500**	10,869
Lease liability		**9,304**	9,725
Total current liabilities		**89,694**	67,261
Employee benefits		**410**	335
Other payables	17	**340**	178
Provisions	19	**3,771**	3,125
Lease liability		**44,689**	42,562
Total non-current liabilities		**49,210**	46,200
Total liabilities		**138,904**	113,461
Net assets		**109,768**	100,874
Equity			
Issued capital	21	**149,773**	149,617
Reserves		**3,350**	(5,388)
Accumulated losses		**(43,355)**	(43,355)
Total equity		**109,768**	100,874

The consolidated statement of financial position is to be read in conjunction with the accompanying notes to the consolidated financial statements.

** The comparative information has been restated on account of a change in accounting policies. See Note 29.*

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Coventry Group Ltd and its controlled entities
Consolidated statement of changes in equity
For the year ended 30 June 2021

	Hedge reserve	Translation reserve	Other reserve	Profit reserve	Total reserves	Share capital	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2020, as previously reported*	-	(1,814)	(3,574)	-	(5,388)	149,617	(42,109)	102,120
Impact of restatement	-	-	-	-	-	-	(1,246)	(1,246)
Restated balance at 1 July 2021	-	(1,814)	(3,574)	-	(5,388)	149,617	(43,355)	100,874
Total comprehensive income/(loss) for the year								
Profit for the year	-	-	-	-	-	-	7,246	7,246
Other comprehensive income/(loss):								
Foreign currency translation differences	-	(166)	-	-	(166)	-	-	(166)
Effective portion of changes in fair value of cash flow hedges	32	-	-	-	32	-	-	32
Deferred tax recognised in equity	-	-	338	-	338	-	-	338
Total other comprehensive income/(loss)	32	(166)	338	-	204	-	-	204
Total comprehensive income/(loss) for the year	32	(166)	338	-	204	-	7,246	7,450
Transactions with owners, recorded directly in equity								
Share issue	-	-	-	-	-	158	-	158
Share issue costs	-	-	-	-	-	(2)	-	(2)
Equity-settled share-based payments	-	-	1,288	-	1,288	-	-	1,288
Transfer to Profit Reserve	-	-	-	7,246	7,246	-	(7,246)	-
Balance at 30 June 2021	32	(1,980)	(1,948)	7,246	3,350	149,773	(43,355)	109,768

Amounts are stated net of tax

	Hedge reserve	Translation reserve	Other reserve	Total reserves	Share capital	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2019	96	(1,396)	(3,574)	(4,874)	149,517	(43,613)	101,030
Adjustment on initial application of AASB16, net of tax	-	-	-	-	-	713	713
Adjusted Balance at 1 July 2019	96	(1,396)	(3,574)	(4,874)	149,517	(42,900)	101,743
Total comprehensive income/(loss) for the year							
Profit/(loss) for the year (restated)	-	-	-	-	-	(455)	(455)
Other comprehensive income/(loss):							
Foreign currency translation differences	-	(418)	-	(418)	-	-	(418)
Effective portion of changes in fair value of cash flow hedges	(96)	-	-	(96)	-	-	(96)
Total other comprehensive income/(loss)	(96)	(418)	-	(514)	-	-	(514)
Total comprehensive income/(loss) for the year (restated)	(96)	(418)	-	(514)	-	(455)	(969)
Transactions with owners, recorded directly in equity							
Share issue	-	-	-	-	100	-	100
Balance at 30 June 2020*	-	(1,814)	(3,574)	(5,388)	149,617	(43,355)	100,874

Amounts are stated net of tax

* *The comparative information has been restated on account of a change in accounting policies. See Note 29.*

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Coventry Group Ltd and its controlled entities
Consolidated statement of cash flows
For the year ended 30 June 2021

	Note	2021 $'000	2020* $'000
Cash flows from operating activities			
Cash receipts from customers		**304,301**	272,959
Cash paid to suppliers and employees		**(291,627)**	(253,761)
Cash from/ (used in) operations		**12,674**	19,198
Interest paid		**(5,245)**	(5,332)
Income taxes refunded/(paid)		**(470)**	(860)
Net cash from/ (used in) operating activities	25	**6,959**	13,006
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**41**	59
Payment for acquisitions of business, net of cash acquired		**(7,590)**	-
Interest received		**281**	235
Acquisition of property, plant and equipment	13	**(3,519)**	(2,490)
Acquisition of intangible assets	15	**(224)**	(651)
Net cash from/ (used in) investing activities		**(11,011)**	(2,847)
Cash flows from financing activities			
Proceeds from Borrowings		**315,844**	200,495
Repayment of Borrowings		**(302,213)**	(199,037)
Repayment of Lease liabilities		**(8,735)**	(8,746)
Share issue costs		**(2)**	-
Net cash from/ (used in) financing activities		**4,894**	(7,288)
Net increase/(decrease) in cash and cash equivalents		**842**	2,871
Cash and cash equivalents at 1 July		**7,542**	5,314
Effect of movements in exchange rates on cash and cash equivalents		**(163)**	(643)
Cash and cash equivalents at 30 June	9	**8,221**	7,542

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes to the consolidated financial statements.

** The comparative information has been restated on account of a change in accounting policies. See Note 29.*

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1. Significant accounting policies

Coventry Group Ltd (the "Company") is a for profit company domiciled in Australia. The address of the Company's registered office is 235 Settlement Road Thomastown VIC 3074 Australia. The consolidated financial statements ("financial report" or "consolidated financial report") of the Company for the financial year ended 30 June 2021 comprises the Company and its controlled entities (together referred to as the "Group").

The financial report was authorised for issue by the Directors on 27 August 2021.

(a) Statement of compliance

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial report of the Group complies with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of preparation

The financial report is presented in Australian dollars, which is the Company's functional currency. The financial report is prepared on the historical cost basis except for certain financial assets and liabilities (including share-based payments and derivative financial instruments) which are stated at their fair value.

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The Group has consistently applied the accounting policies (as set out in Note 1(d) – 1(u)) to all years presented in this consolidated financial report. Certain prior year figures have been restated to conform with the presentation in the current year.

Going Concern
In preparing the financial report, the Directors have made an assessment of the ability of the Group to continue as a going concern, which contemplates the continuity of business operations, realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report. The Directors have a reasonable expectation that the Group will have adequate resources to continue to meet its obligations as they fall due.

(c) New and amended standards adopted by the Group

The Group has adopted the IFRIC Agenda Decision on Software-as-a-Service transactions and the impact on the Group has been assessed in Note 29.

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- *COVID-19-Related Rent Concessions (Amendment to IFRS 16).*
- *Property, Plant & Equipment: Proceeds before Intended Use (Amendments to IAS 16).*
- *Reference to Conceptual Framework (Amendments to IFRS 3).*
- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1).*
- IFRS 17 *Insurance Contracts* and amendments to IFRS 17 *Insurance Contracts.*

There are no significant new standards or interpretations not yet adopted.

(d) Basis of consolidation

Business combinations
Business combinations are accounted for using the acquisition method as at the acquisition date. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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1. Significant accounting policies (continued)

(d) Basis of consolidation (continued)

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Controlled entities
Controlled entities are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in controlled entities are carried at their cost of acquisition in the Company's financial statements, net of impairment write downs. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(e) Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences arising on translation are recognised in the statement of profit or loss.

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the translation reserve in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with a maturity of three months or less at inception date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average cost. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads. An impairment allowance is made for obsolete, damaged and slow-moving inventories.

(h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowance.

(i) Property, plant and equipment

All classes of property, plant and equipment are stated at cost less depreciation and any accumulated impairment loss.

Depreciation
Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives from the date that they are installed and are ready for use.

The estimated useful lives for each class of asset are:

Class of Fixed Asset	Depreciation Rate
- Plant and Equipment	5% - 40%

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1. Significant accounting policies (continued)

(j) Intangibles

Goodwill
Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 1(d). Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Computer software
Computer software comprises licence costs and direct costs incurred in preparing for the operation of that software, including associated process re-engineering costs. Computer software is measured at cost less accumulated amortisation and impairment losses. Computer software costs that have been categorised as a Software-as-a-Service (SaaS) arrangement are recognised as an expense in the statement of profit or loss.

In the 2021 financial year the Group changed its accounting policy in relation to SaaS arrangements. Refer to Note 29.

Other intangible assets
Brand names and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Brand names have an indefinite useful life and are measured at cost less accumulated impairment losses. Customer relationships have a finite useful life and are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation
Except for goodwill and brand names, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. In current and comparative periods, computer software was estimated to have a useful life of 3 to 10 years, and customer relationships was estimated to have a useful life of 10 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Financial Instruments

Investments and other financial assets
The Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transactions costs of financial assets carried at FVPL are expensed in profit or loss.

Impairment of financial assets
The Group assesses on a forward-looking basis the expected credit losses associated with its instruments carried at amortised costs and fair value through other comprehensive income ("OCI"). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contract. The Group has concluded that the expected loss rates of trade receivables are a reasonable approximation to the loss rates for the contract assets.

(l) Impairment of assets (financial and non-financial)

Non-financial
Goodwill and intangible assets that have an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Other assets are tested for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs of disposal and value in use.

Financial
Financial assets are tested for impairment at each financial year end.

(m) Employee benefits

A provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. These benefits include wages and salaries, annual leave and long service leave. Sick leave is non-vesting and has not been provided for.

1. Significant accounting policies (continued)

(n) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Make good
Provision for make good in respect of leased properties is recognised where appropriate based on the estimated cost to be incurred to restore premises to the required condition under the relevant lease agreements.

(o) Trade and other payables

Trade and other payables are stated at amortised cost.

(p) Revenue and other income

Revenue is recognised when control of a good or service transfers to a customer. Determining the timing of the transfer of control – at a point in time or over time - requires judgement.

Sale of goods – revenue recognised at a point in time
Revenue from the sale of goods that are not subject to contract manufacturing arrangements is measured at the fair value of the consideration received or receivable, net of returns, rebates and goods and services tax payable to the taxation authority.

Revenue is recognised when a customer obtains control of the promised goods and the Group has satisfied its performance obligation in relation to the promised goods. In determining when control of promised goods passes to the customer, the Group considers the transfer of significant risk and rewards of ownership of the goods to the customer. The timing of the transfer of risk and reward to the customers for the sale of goods occurs either:

- When the goods are despatched or delivered in line with the Incoterms as detailed in the relevant contract of sale or purchase order for the goods. The Group sells a significant proportion of its products on Free-In-Store/ Delivered at Place Incoterms. This means the Groups control of the goods passes when the product is delivered to the agreed destination.
- When they are made available to the customer and ownership transfers prior to despatch as detailed in the relevant contract of sale or purchase order for the goods.
- On notification (following stocktake) that the product has been used when the goods are consignment products located at customers' premises.

Where cash consideration has been received but the revenue recognition criteria has not been met, such amounts have been recorded on the consolidated statement of financial position as a contract liability.

Sale of goods – contract manufacturing and supply revenue recognised over time
The Group has determined that for bundled contract manufacturing comprising design, build, install and service elements, the customer controls the goods once the goods are finished and installed on premises in accordance with the relevant contract. This is because under the contract, goods are manufactured to a customer's specification, and if a firm order that is placed by the customer in accordance with the agreement is terminated, the Group is entitled to a reimbursement of the costs incurred in manufacturing the goods, including a reasonable margin. Therefore, revenue for the agreements and the associated costs are recognised over time. That is, before the goods are delivered to the customer' premises. Invoices issued according to contractual terms and amounts not yet invoiced are presented as contract assets.

(q) Leases

Leases in which the Group is a lessee
The Group recognises all lease liabilities and corresponding right-of-use assets, with the exception of short-term (12 months or fewer) and low value leases, on the balance sheet.

Lease liabilities are initially measured at the net present value of future lease payments and extension options expected to be exercised. Variable lease payments not dependent on an index or rate are excluded from the calculation of lease liabilities. Payments are discounted at the incremental borrowing rate of the lessee. Non-lease components are excluded from the projection of future lease payments and recorded separately within operating costs on a straight-line basis.

The right-of-use asset, resulting from a lease arrangement, at initial recognition reflects the lease liability, initial direct costs and any lease payments made before the commencement date of the lease less any lease incentives and, where applicable, provision for dismantling and restoration.

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1. Significant accounting policies (continued)

(q) Leases (continued)

The Group recognises depreciation of right-of-use assets and interest on lease liabilities in the income statement over the lease term. Repayments of lease liabilities are separated into a principal portion (presented within financing activities) and interest portion (which the Group presents in operating activities) in the cash flow statement.

Leases in which the Group is a lessor

The Group sub-leases some of its properties. The Group has applied the guidance set out in AASB 16 to classify these as either a finance lease or operating lease.

Operating leases
Rental income is recognised in the statement of profit or loss as other income.

Finance leases
The Group recognises an investment in sub-lease in the statement of financial position. Rental income is recognised in the statement of profit or loss as interest income. Finance sub-leases are classified with reference to the right-of-use asset arising from the head lease.

(r) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and finance leases.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(s) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Group.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

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1. Significant accounting policies (continued)

(s) Income tax (continued)

Tax consolidation

The Company and its wholly owned Australian resident entities have formed a tax consolidated group with effect from 1 November 2002 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is Coventry Group Ltd.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the controlled entities is assumed by the head entity in the tax consolidated group and recognised by the Company as an equity contribution or distribution.
The Company recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(t) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the statement of financial position are stated with the amount of GST included. Cash flows are included in the statement of cash flows on a gross basis.

(u) Accounting estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and on other factors it believes to be reasonable under the circumstances, the results of which form the basis of the reported amounts that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

- estimation of current tax payable, current tax expense and recovery of deferred tax assets based on forecasted taxable profit – note 1(s) and note 7
- estimated useful life of intangible assets – note 1(j)
- estimated impairment of non-financial assets and measurement of the recoverable amount of cash generating units – note 16
- estimation of valuation of inventories – note 1(g)
- valuation of trade receivables – note 1 (k) and note 22
- estimation of lease term under AASB16 – note 1 (q)
- estimation of fair value of assets acquired in Business Combinations – note 3
- estimation of share-based payment arrangements – note 20

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2. Segment information

(a) Description of segments

The Group has reportable segments as described below. For each of the strategic operating segments, the CEO reviews internal management accounts on a monthly basis. The following summary describes the operations of each of the Group's reportable operating segments:

Trade Distribution	Includes the importation, distribution and marketing of industrial fasteners, industrial hardware supplies and associated products and cabinet making hardware.
Fluid Systems	Includes the design, manufacture, distribution, installation and maintenance of lubrication and hydraulic fluid systems and hoses.

(b) Segment information

Information regarding the results of each reportable segment is included below.

Information about reportable segments	**Trade Distribution**	**Fluid Systems**	**Other business units and consolidation adjustments**	**Total reportable segments**
30 June 2021	**$'000**	**$'000**	**$'000**	**$'000**
Segment revenue	**170,285**	**119,027**	**(60)**	**289,252**
Inter-segment revenue	**-**	**-**	**-**	**-**
Revenue from external customers	**170,285**	**119,027**	**(60)**	**289,252**
Timing of revenue recognition at				
point in time	**170,285**	**115,018**	**(60)**	**285,243**
over time	**-**	**4,009**	**-**	**4,009**
	170,285	**119,027**	**(60)**	**289,252**
Underlying EBITDA	**11,737**	**13,844**	**(12,224)**	**13,357**
Depreciation and amortisation	**677**	**774**	**1,344**	**2,795**
Underlying EBIT	**11,060**	**13,070**	**(13,568)**	**10,562**

Information about reportable segments	**Trade Distribution**	**Fluid Systems**	**Other business units and consolidation adjustments**	**Total reportable segments**
30 June 2020	**$'000**	**$'000**	**$'000**	**$'000**
Segment revenue	151,292	95,942	(55)	247,179
Inter-segment revenue	-	-	-	-
Revenue from external customers	151,292	95,942	(55)	247,179
Timing of revenue recognition at				
point in time	151,292	94,289	(55)	245,526
over time	-	1,653	-	1,653
	151,292	95,942	(55)	247,179
Underlying EBITDA	6,652	10,319	(10,334)	6,637
Depreciation and amortisation	614	659	1,338	2,611
Underlying EBIT	6,038	9,660	(11,672)	4,026

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2. Segment information (continued)

(c) Other segment information

i. Segment Revenue

A reconciliation of segment revenue to total revenue from the sale of goods in the Statement of Profit or Loss is provided as follows:

	2021 $'000	2020 $'000
Total segment revenue	**289,252**	247,179
Foreign exchange translation variance	**(730)**	388
Total revenue	**288,522**	247,567

ii. Segment Operating Profit/(Loss)

The Coventry Leadership Team (CLT) measures the performance of the Group's reportable segments based on underlying EBIT (Earnings Before Interest and Tax). This non-IFRS measurement basis excludes the effects of interest on external borrowings, income tax expense, leases and significant items. A reconciliation of underlying EBIT to operating profit/(loss) in the Statement of Profit or Loss is provided as follows:

	Note	2021 $'000	2020 $'000
Total segment Underlying EBIT		**10,562**	4,026
Foreign exchange translation variance		**(38)**	45
Impairment and significant items		**(2,344)**	(19,954)
Net financing expense, excluding interest on lease liabilities (AASB16)	6	**(2,089)**	(966)
Income tax benefit/(expense)	7	**2,669**	18,302
Reversal of amortisation associated with change in accounting policy		**289**	(1,780)
Impact of AASB16			
Depreciation of Right-of-use Assets	14	**(9,315)**	(9,357)
Net Interest on lease liabilities and sub-lease investment		**(3,739)**	(3,824)
Reversal of net rent and lease payments and receivables		**10,478**	12,991
Income tax benefit	7	**773**	53
Foreign Exchange translation		**-**	9
Total operating profit/(loss)		**7,246**	(455)

(d) Geographic information

Revenue based on the geographic location of customers were Australia $249,027,000 (2020: $213,896,000) and New Zealand $39,495,000 (2020: $33,671,000).

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3. Business Combinations

(a) H.I.S. Hose

On the 1 December 2020, the Group acquired the business and certain assets and liabilities of H.I.S Hose Pty Ltd, a Victorian based supplier of industrial hose, fittings, flexible ducting and associated equipment including pneumatic and hydraulic components.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	$'000
Purchase consideration	
Cash paid	4,641
Total purchase consideration	**4,641**

The provisional fair value of the identifiable assets and liabilities recognised at acquisition date are as follows:

	Provisional fair value $'000
Inventories	2,121
Other current assets	13
Property, plant and equipment (note 13)	321
Net deferred tax assets	214
Right-of-use assets (note 14)	1,124
Employee benefits	(713)
Lease liabilities	(1,124)
Net identifiable assets acquired [(ii)]	**1,956**
Add: Goodwill on acquisition (note 15) [(iii)]	2,685
Purchase consideration	**4,641**

(i) Related costs

A total of $160,000 in transaction costs were incurred during the acquisition process. $152,000 was incurred during the previous financial year, with $8,000 of transaction costs being expensed through the current period consolidated statement of profit or loss.

(ii) Provisional assessment

The net assets recognised in the financial statements are based on a provisional assessment of fair value at reporting date.

(iii) Goodwill

The goodwill is attributable to H.I.S Hose's strategic compliment to the Fluid Systems segment along with historic strong profit performance. This acquisition offers tangible synergies that will benefit the Group's Fluid Systems business including procurement cost savings and knowledge transfer and provides further diversification into non-mining markets and expanded geographical coverage in Victoria. Refer to note 15 for changes in goodwill as a result of the acquisition.

(b) Fluid Power Services

On 30 April 2021, the Group acquired the acquired the business and certain assets and liabilities of Fluid Power Services Pty Ltd (FPS), a leading provider of specialised hydraulic products and engineering solutions in Tasmania.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	$'000
Purchase consideration	
Cash paid	1,646
Cash payable – claims retention	200
Total purchase consideration	**1,846**

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3. Business combinations (continued)

(b) Fluid Power Services (continued)

The provisional fair value of the identifiable assets and liabilities recognised at acquisition date are as follows:

	Provisional fair value $'000
Inventories	594
Property, plant and equipment (note 13)	69
Net deferred tax assets	20
Right-of-use assets (note 14)	295
Employee benefits	(67)
Lease liabilities	(295)
Net identifiable assets acquired [(ii)]	**616**
Add: Goodwill on acquisition (note 15) [(iii)]	1,230
Purchase consideration	**1,846**

(i) Related costs

A total of $45,000 in transaction costs were incurred during the acquisition process and expensed through the consolidated statement of profit or loss.

(ii) Provisional assessment

The net assets recognised in the financial statements are based on a provisional assessment of fair value at reporting date.

(iii) Goodwill

The goodwill is attributable to FPS' strategic compliment to the Fluid Systems segment along with sales and earnings growth over an extended period. This acquisition offers tangible synergies that will benefit the Group's Fluid Systems business including growth opportunities, procurement savings and knowledge transfer. The acquisition provides further diversification into non-mining markets and geographical coverage in Tasmania. Refer to note 15 for changes in goodwill as a result of the acquisition.

(c) Revenue and profit contribution

The acquisition of H.I.S Hose contributed revenues of $6,323,000 and net profit of $391,400 to the Group for the period from 1 December 2020 to 30 June 2021 (seven months trading). The acquisition of FPS contributed revenues of $1,063,000 and net profit of $292,000 to the Group for the period from 30 April 2021 to 30 June 2021 (two months trading).
If both acquisitions had occurred on 1 July 2020, the Group consolidated revenue and consolidated profit after tax for the year ended 30 June 2021 would have been $296,925,000 and $8,447,000 respectively.

4. Auditor's remuneration	2021 $	2020 $
Audit services		
Auditors of the Group		
KPMG Australia:		
Engagement of audit and review of financial reports	**260,000**	250,000
Prior year additional charges and out of scope audit services	**30,000**	23,000
	290,000	273,000
Other services		
Auditors of the Group		
KPMG Australia:		
Transaction services	**10,000**	130,203
KPMG New Zealand:		
Tax services	**7,688**	7,210
	17,688	137,413

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5. Employment costs

	2021 $'000	2020 $'000
Wages and salaries	**50,557**	45,524
Liability for annual leave and long service leave	**4,417**	4,215
Contributions to superannuation funds	**4,686**	4,175
Payroll taxes	**2,881**	2,658
Other associated personnel expenses	**1,489**	1,179
	64,030	57,751

6. Finance income and finance expenses

	2021 $'000	2020 $'000
Interest income from other entities	**281**	235
Net foreign exchange gain/(loss)	**-**	338
Financial income	**281**	573
Interest expense	**(1,359)**	(1,315)
Interest expense on lease liabilities	**(3,980)**	(4,017)
Net foreign exchange gain/(loss)	**(769)**	-
Financial expenses	**(6,108)**	(5,332)
Net financial expense	**(5,827)**	(4,759)

7. Taxes

	2021 $'000	2020 $'000
Current tax expense/(benefit)		
Current year	**2,530**	260
Under provision / (over provision) prior year	**-**	(534)
Tax recognised in the profit or loss	**2,530**	(274)
Deferred tax expense		
Recognition of previously unrecognised Deferred Tax Assets (DTA)	**(5,039)**	(13,112)
Origination and reversal of temporary differences	**(933)**	(4,969)
Total deferred tax expense/(benefit)	**(5,972)**	(18,081)
Total income tax expense/(benefit)	**(3,442)**	(18,355)
Reconciliation of effective tax rate		
Profit/(Loss) from operations for the period	**7,246**	(455)
Total income tax loss/(benefit)	**(3,442)**	(18,081)
Profit/(loss) before income tax	**3,804**	(18,536)
Income tax using the Company's domestic tax rate of 30%	**1,141**	(5,561)
Revenue tax losses (recognised)/not recognised	**-**	332
Non-deductible expenditure	**460**	6
Recognition of previously unrecognised DTA	**(5,039)**	(13,112)
Effect of lower tax rate applicable to foreign controlled entity	**(4)**	(20)
	(3,442)	(18,355)

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7. Taxes (continued)

Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Trade and other receivables	**103**	97	(2)	-	**101**	97
Inventories	**1,505**	2,917	-	-	**1,505**	2,917
Property, plant and equipment	**2,360**	2,360	-	-	**2,360**	2,360
Right-of-use assets	**-**	-	**(12,323)**	(12,447)	**(12,323)**	(12,447)
Intangible assets	**-**	-	**(4,816)**	(4,999)	**(4,816)**	(4,999)
Employee benefits	**2,146**	1,858	**-**	-	**2,146**	1,858
Trade and other payables	**943**	565	**(25)**	-	**918**	565
Provisions	**144**	836	**-**	-	**144**	836
Lease liability	**16,972**	14,712	**-**	-	**16,972**	14,712
Other items	**347**	-	-	-	**347**	-
Tax losses carried forward	**16,424**	13,646	**-**	-	**16,424**	13,646
Tax assets/(liabilities)	**40,944**	36,991	**(17,166)**	(17,446)	**23,778**	19,545
Set off of deferred tax liability	**(17,166)**	(17,446)	**17,166**	17,446	**-**	-
Net deferred tax asset	**23,778**	19,545	**-**	-	**23,778**	19,545

Within the Group Australian operations there are unutilised carried forward tax losses of $77,302,653 (2020: $75,549,267). During the financial year, the Group recognised $5,039,398 (2020: $13,111,836) deferred tax asset against these carried forward tax losses, for a cumulative total of $18,151,234. The Group has determined it is probable that future taxable profits would be available for use against tax losses.

8. Earnings per share

	2021	**2020**
Weighted average of shares in year used in basic earnings per share (number)	**89,960,819**	89,781,624
Weighted average of dilutive rights outstanding	**1,732,978**	1,382,786
Weighted average of shares in year used in calculating dilutive earnings per share	**91,693,797**	91,164,410
Earnings used in basic and diluted earnings per share calculation ($)	**7,246,280**	(455,195)
Earnings/(loss) per share (cents)	**8.1 cents**	(0.5) cents
Diluted earnings/(loss) per share (cents)	**7.9 cents**	(0.5) cents

9. Cash and cash equivalents

	2021	**2020**
	$'000	**$'000**
Cash on hand	**4**	4
Bank balances	**8,217**	7,538
Cash and cash equivalents	**8,221**	7,542

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10. Trade and other receivables

	2021	2020
Current	**$'000**	**$'000**
Trade receivables	**43,565**	33,539
Loss allowance (note 22(a))	**(291)**	(326)
	43,274	33,213
Net investment in sub-lease	**190**	336
	43,464	33,549
Other receivables	**3,958**	2,133
Prepayments	**3,481**	3,421
	7,439	5,554
Non-current		
Net investment in sub-lease	**1,817**	1,828
Total trade and other receivables	**52,720**	40,931

During the year the Group recognised interest income of $240,000 on sub-lease receivables.

Information about the Group's exposure to credit risk, foreign currency risk and interest rate risk is disclosed in note 22.

11. Inventories

	2021	2020
	$'000	**$'000**
Finished goods	**68,971**	58,882
Provision for obsolescence	**(5,058)**	(5,322)
Net inventory balance	**63,913**	53,560

12. Parent entity disclosures

As at, and throughout, the financial year ending 30 June 2021 the parent company of the Group was Coventry Group Ltd.

	Company	
Results of the parent entity	**2021**	**2020**
	$'000	**$'000**
Profit/(loss) for the period	**(459)**	(6,660)
Other comprehensive income/(loss)	**25**	(119)
Total comprehensive income/(loss) for the period after tax	**(434)**	(6,779)
Financial position of parent entity at year end		
Current assets	**87,767**	67,614
Total assets	**230,147**	203,988
Current liabilities	**92,915**	58,262
Total liabilities	**121,596**	96,809
Total equity of the parent entity comprising of:		
Issued capital	**149,773**	149,617
Reserves	**1,652**	(23)
Accumulated losses	**(42,874)**	(42,415)
Total equity	**108,551**	107,179

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13. Property, plant and equipment

	Plant and equipment
	$'000
Cost at 1 July 2020	**46,517**
Accumulated Depreciation at 1 July 2020	**(39,740)**
Carrying amounts at 1 July 2020	**6,777**
Additions	**3,519**
Additions through business combinations (note 3)	**390**
Depreciation charge for the year	**(1,454)**
Disposals	**(49)**
Effect of movements in foreign exchange	**(3)**
Carrying amounts at 30 June 2021	**9,180**

Cost at 1 July 2019	44,083
Accumulated Depreciation at 1 July 2019	(38,219)
Carrying amounts at 1 July 2019	5,864
Additions	2,490
Depreciation charge for the year	(1,521)
Disposals	(57)
Effect of movements in foreign exchange	1
Carrying amounts at 30 June 2020	6,777

14. Right-of-use assets

	Property	Vehicles	Total
	$'000	**$'000**	**$'000**
Carrying amounts at 1 July 2020	**35,591**	**4,244**	**39,835**
Additions	**5,297**	**942**	**6,239**
Acquisitions through business combinations (note 3)	**1,419**	**-**	**1,419**
Terminations	**-**	**(16)**	**(16)**
Lease reassessments	**3,171**	**139**	**3,310**
Depreciation for the period	**(7,298)**	**(2,017)**	**(9,315)**
Effect of movements in foreign exchange	**(21)**	**(2)**	**(23)**
Carrying amount at 30 June 2021	**38,159**	**3,290**	**41,449**

	Property	Vehicles	Total
	$'000	**$'000**	**$'000**
Carrying amounts at 30 June 2019	**-**	**-**	**-**
Recognition of right-of-use asset on initial application of AASB16	**50,125**	**4,865**	**54,990**
Adjusted carrying amount at 1 July 2019	**50,125**	**4,865**	**54,990**
Additions	**5,387**	**1,666**	**7,053**
Terminations	**(1,517)**	**(245)**	**(1,762)**
Impairment	**(11,075)**	**-**	**(11,075)**
Depreciation for the period	**(7,318)**	**(2,039)**	**(9,357)**
Effect of movements in foreign exchange	**(11)**	**(3)**	**(14)**
Carrying amount at 30 June 2020	**35,591**	**4,244**	**39,835**

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15. Intangible assets

	Note	Goodwill	Brand name	Customer relationships	Computer software	Total
		$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amounts at 1 July 2020, as previously reported		**26,395**	**11,376**	**5,289**	**4,842**	**47,902**
Impact of restatement		**-**	**-**	**-**	**(1,780)**	**(1,780)**
Restated balance at 1 July 2020		**26,395**	**11,376**	**5,289**	**3,062**	**46,122**
Additions		**3,915**	**-**	**-**	**224**	**4,139**
Amortisation for the year		**-**	**-**	**(610)**	**(440)**	**(1,050)**
Carrying amounts at 30 June 2021		**30,310**	**11,376**	**4,679**	**2,846**	**49,211**
Carrying amounts at 1 July 2019		26,395	11,376	5,899	2,892	46,562
Additions		-	-	-	651	651
Amortisation for the year		-	-	(610)	(481)	(1,091)
Carrying amounts at 30 June 2020		26,395	11,376	5,289	3,062	46,122

16. Impairment of non-financial assets

For the purpose of impairment testing, goodwill and indefinite life intangible assets are allocated to the Group's operating divisions. The aggregate carrying amounts of goodwill and indefinite life intangible assets allocated to each CGU are as follows.

	2021	**2020**
	$'000	**$'000**
Fluid Systems	**15,433**	11,518
Trade Distribution	**26,253**	26,253
	41,686	37,771

The key assumptions used in the value in use calculations include projected sales growth, projected gross margins, terminal value, improvements in working capital and the discount rate. These assumptions are based on historical experience and projected performance. Budget and forecast calculations generally cover a period of five years. A long-term growth rate is determined and applied to project future cash flows after the fifth year.

For the year ended 30 June 2021, the Group's value in use model showed the recoverable amount exceeded the carrying amount of both the Trade Distribution and Fluid Systems CGUs.

The values assigned to the key assumptions were:

Fluid Systems

- Sales growth at 5.24% for FY22, 7.89% for FY23 and 8.0% thereafter
- Terminal growth 2.5%
- Post-tax WACC of 10.69%

Trade Distribution

- Sales growth at 5.51% for FY22, 9.37% for FY23, 10.69% for FY24, 11.86% for FY25 and 8.98% for FY26
- Terminal growth 2.5%
- Post-tax WACC of 10.69%

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17. Trade and other payables

	2021 $'000	2020 $'000
Trade payables	**40,766**	31,338
Non trade payables and accrued expenses	**8,691**	9,686
Total trade and other payables	**49,457**	41,024
Current	**49,117**	40,846
Non-current	**340**	178
Total trade and other payables	**49,457**	41,024

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 22.

18. Interest-bearing loans and borrowings

	2021 $'000	2020 $'000
Current		
Borrowing facility	**24,500**	-
Debtor Financing Facility	**-**	10,869
Total interest-bearing loans and borrowings	**24,500**	10,869

In March 2021 the Group entered into a new 3-year financing arrangement with the National Australia Bank (NAB). Information regarding the new facility has been disclosed in note 22.

Net debt reconciliation

	2021			2020		
	Financing liabilities	Other assets		Financing liabilities	Other assets	
	Borrowings	Cash	Net debt	Borrowings	Cash	Net debt
	$'000	$'000	$'000	$'000	$'000	$'000
Analysis of changes in net debt						
Opening balance at the beginning of the financial year	**(10,869)**	**7,542**	**(3,327)**	(9,411)	5,314	(4,097)
Foreign exchange adjustment	**-**	**(3)**	**(3)**	-	9	9
Cash movements excluding exchange movements	**(13,631)**	**682**	**(12,949)**	(1,458)	2,219	761
Closing balance	**(24,500)**	**8,221**	**(16,279)**	(10,869)	7,542	(3,327)

Non-cash investing and financing activities
There were no non-cash investing and financing activities.

Details about the Group's financing facilities, exposure to interest rate, foreign currency and liquidity risks is provided in note 22.

19. Provisions

	Make good $'000	Warranties $'000	Total $'000
Non-current			
Balance at 1 July 2020	**3,125**	**-**	**3,125**
Provisions increased/(decreased)	**378**	**490**	**868**
Provisions used	**(222)**	**-**	**(222)**
Balance at 30 June 2021	**3,281**	**490**	**3,771**

20. Share-based payments

Executive and Director Incentive Plan
An Executive and Director Incentive Plan was re-approved by shareholders in 2020. The Plan governs the future granting of performance rights and issue of shares based on annual Company performance. Vesting of performance rights may vary subject to the extent performance hurdles have been met and the exercise of Board discretion. On vesting, the performance rights entitle the recipient to receive fully paid shares in the Company.

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20. Share-based payments (continued)

The following share-based payments existed at 30 June 2021:

	30 June 2021		30 June 2020	
	Number of performance rights	**Weighted average fair value**	**Number of performance rights**	**Weighted average fair value**
Outstanding at the beginning of the year	**1,262,406**	**$1.2558**	489,292	$1.0109
Granted	**1,424,504**	**$0.9500**	1,164,237	$1.3000
Forfeited	**(751,432)**	**$1.3000**	(281,847)	$1.0109
Exercised	**(202,500)**	**$1.1622**	(109,276)	$1.0109
Lapsed	**-**	**-**	-	-
Outstanding at the end of the year	**1,732,978**	**$0.9962**	1,262,406	$1.2558
Exercisable at the end of the year	**-**	**-**	-	-

Total expenses arising from share-based payment transactions during the year were as follows:

- $826,989 relating to FY21 recognised in Employment costs
- $618,921 relating to FY19 and FY20 recognised in Significant items

21. Capital and reserves

Share capital	**Ordinary shares**	**Ordinary shares**
	2021	**2020**
	'000	**'000**
On issue at 1 July	**89,809**	89,700
Conversion of performance rights	**203**	109
On issue at 30 June	**90,012**	89,809

Ordinary shares
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Nature and purpose of reserves

Translation reserve
The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the functional currency of the reporting entity, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

Share based payments reserve
The share-based payment reserve comprises the fair value of shares and options that are yet to vest under share-based payment arrangements.

Hedge reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Profit reserve
The profit reserve comprises retained profits since the beginning of the 2021 financial year.

Dividends
The Board has declared a final dividend of 3 cents per share, fully franked, in relation to the year ended 30 June 2021. The Company has updated and reinstated its Dividend Reinvestment Plan to enable eligible shareholders to reinvest their dividend in additional shares in the Company.

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21. Capital and reserves (continued)

No dividends were declared or paid for the year ended 30 June 2020.

	Company	
	2021	**2020**
	$'000	**$'000**
Dividend franking account		
30 per cent franking credits available to shareholders of the Company for subsequent financial years	**11,069**	11,069

22. Financial risk management

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Group has not disclosed the fair values of the Level 1 financial instruments detailed below including cash and cash equivalents, short term trade receivables and payables, borrowing facility and lease liabilities because their carrying amounts are a reasonable approximation of fair value.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents and receivables from customers.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**Carrying amount**	
		2021	**2020**
		$'000	**$'000**
Cash and cash equivalents	9	**8,221**	7,542
Trade and other receivables	10	**45,281**	35,346
		53,502	42,888

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. The Group has no significant concentration of customer base.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group's terms and conditions of trade have been amended to incorporate the Personal Property Security legislation. The Group does not normally require collateral in respect of trade and other receivables.

The Group's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was Australia $40,247,505 (2020: $31,064,000) and New Zealand $5,033,345 (2020: $4,282,000).

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22. Financial risk management (continued)

(a) Credit risk (continued)

Cash at bank and short- or long-term deposits are held with Australian and New Zealand banks with acceptable credit ratings.

Impairment of Trade Receivables
The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics, days past due and historic credit loss data.

The loss allowance as at 30 June 2021 was determined as follows for trade receivables:

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
30 June 2021					
Australia					
Expected loss rate (%)	**0.0%**	**0.1%**	**1.7%**	**65.8%**	
Gross carrying amount ($'000) / balance outstanding as reporting date	**36,363**	**1,279**	**491**	**336**	**38,469**
Loss allowance ($'000)	**-**	**1**	**8**	**221**	**230**
New Zealand					
Expected loss rate (%)	**0.0%**	**0.1%**	**2.0%**	**76.6%**	
Gross carrying amount ($'000) / balance outstanding at reporting date	**4,949**	**29**	**39**	**79**	**5,096**
Loss allowance ($'000)	**-**	**-**	**1**	**60**	**61**

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
30 June 2020					
Australia					
Expected loss rate (%)	0.0%	0.1%	0.9%	33.4%	
Gross carrying amount ($'000) / balance outstanding as reporting date	26,993	1,085	651	767	29,496
Loss allowance ($'000)	-	1	6	255	262
New Zealand					
Expected loss rate (%)	0.0%	0.1%	1.1%	44.0%	
Gross carrying amount ($'000) / balance outstanding at reporting date	3,849	16	33	145	4,043
Loss allowance ($'000)	-	-	-	64	64

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22. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group maintains a $45 million Borrowing Base facility on which interest is payable at prevailing market rates.

Maturities of financial liabilities

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

			2021			
	Carrying amount $'000	Contractual cash flow $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	More than 2 years $'000
Non derivative financial liabilities						
Trade and other payables	**49,457**	**(49,457)**	**(49,117)**	**-**	**(340)**	**-**
Borrowing facility	**24,500**	**(24,500)**	**(24,500)**	**-**	**-**	**-**
Lease liability	**53,994**	**(71,929)**	**(6,412)**	**(6,137)**	**(10,900)**	**(48,480)**
	127,951	**(145,886)**	**(80,029)**	**(6,137)**	**(11,240)**	**(48,480)**

The outflows associated with forward contracts used for hedging are US$5.2 million (A$6.9 million), 2020: US$5.4 million (A$7.9 million) and will have been made within 11 months or less.

			2020			
	Carrying amount $'000	Contractual cash flow $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	More than 2 years $'000
Non derivative financial liabilities						
Trade and other payables	40,846	(40,846)	(40,846)	-	-	-
Debtor financing facility	10,869	(10,869)	(10,869)	-	-	-
Lease liability	52,287	(52,287)	(1,097)	(12,948)	(2,793)	(35,449)
	104,002	(104,002)	(52,812)	(12,948)	(2,793)	(35,449)

In March 2021 the Group entered into a new 3-year financing arrangement with the National Australia Bank (NAB). This replaced the previous $40 million securitised trade receivables facility with Scottish Pacific. The overall facility is secured by General Security Deeds with Australian and New Zealand entities as well as Rights of Entry to eligible inventory locations.

Borrowing Base facility
The Group has a $45.0 million Borrowing Base facility against eligible inventory and debtors with a current expiry of March 2024. The facility is subject to a floating interest on funds drawn. The facility limit is scalable for future growth

Guarantee facility
In addition to the borrowing facilities above, the Group has a $5.0 million Standby Letter of Credit to provide security for Transactional Banking, Bank Guarantees, FX and other transactional facilities up to the limit specified in each individual guarantee.

ANZ Facilities
The Group maintains a small residual intraday facility with ANZ which will be closed upon full transition of transactional banking to the NAB.

Interest rate risk
At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2021	**2020**
	$'000	**$'000**
Variable rate financial assets	**8,217**	7,538

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22. Financial risk management (continued)

(b) Liquidity risk (continued)

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any material fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments
The impact of a change of 100 basis points in interest rates at the reporting date is immaterial.

Fair values
The fair values of financial assets and financial liabilities of the Group approximate their carrying amounts in the statement of financial position.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the Australian dollar. The currencies giving rise to this risk are primarily US dollars and Euros. The Group adopts a policy of obtaining, foreign currency forward contracts to hedge its exposure to USD foreign currency risks.

Capital management
The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group defines capital as cash, banking facilities and equity.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

23. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:	**2021 $'000**	**2020 $'000**
Less than one year	**52**	289
Between one and five years	**-**	-
More than five years	**-**	-
	52	289

The Group leases various premises, plant and equipment and motor vehicles under operating leases. The leases run for 12 months or less. Lease payments are reviewed periodically to reflect market rentals. None of the leases include contingent rentals.

During the financial year ended 30 June 2021 the Group recognised $215,000 (2020: $696,000) as an expense in the statement of profit or loss in respect of operating leases.

Leases as lessor
At the end of the reporting period, the future minimum lease payments under non-cancellable leases are receivable as follows.

	2021 $'000	**2020 $'000**
Less than one year	**976**	519
Between one and five years	**412**	93
More than five years	**316**	-
	1,704	612

The Group subleases a property under an operating lease. The lease runs to September 2021.

During the financial year ended 30 June 2021, the Group recognised $729,000 (2020: $990,000) as income in the statement of profit or loss.

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24. Controlled entities

	Country of Incorporation	Ownership interest	
		2021	2020
		%	%
COV Holdings (Aust) Pty Ltd	Australia	**100**	100
Coventry Group (NZ) Limited	New Zealand	**100**	100
COV Holdings (NZ) Pty Ltd [(i)]	New Zealand	**100**	100
Nubco Proprietary Limited	Australia	**100**	100

The ultimate parent entity is Coventry Group Ltd.
[(i)] The company is a 100% controlled entity of COV Holdings (Aust) Pty Ltd and operates in New Zealand.

25. Reconciliation of cash flows from operating activities

	Note	2021	2020
Cash flows from operating activities		**$'000**	**$'000**
Profit/(loss) for the period		**7,246**	**(455)**
Adjustments for:			
Equity-settled share-based payments		**1,288**	**-**
Depreciation and amortisation		**11,819**	**11,969**
Impairment		**-**	**11,075**
Other non-cash or non-operating exceptional items		**(173)**	**(255)**
Interest income from other entities		**(281)**	**(235)**
Interest expense	6	**5,339**	**5,332**
Net (gain) on disposal of property, plant and equipment		**71**	**(2)**
Income tax expense/(benefit)	7	**(3,442)**	**(18,355)**
Operating profit/(loss) before changes in working capital and provisions		**21,867**	**9,074**
Change in trade and other receivables		**(11,887)**	**774**
Change in inventories		**(7,638)**	**6,326**
Change in trade and other payables		**9,597**	**2,759**
Change in provisions and employee benefits		**735**	**265**
		12,674	**19,198**
Interest paid		**(5,245)**	**(5,332)**
Income taxes paid		**(470)**	**(860)**
Net cash from / (used in) operating activities		**6,959**	**13,006**

26. Related parties

Transactions with key management personnel
Key management personnel compensation
Key management personnel compensation comprised the following:

	2021	2020
	$	**$**
Short-term employee benefits	**1,048,024**	1,027,781
Post-employment benefits	**71,810**	64,936
Other long-term benefits	**123,696**	105,727
Termination benefits	**-**	-
Share-based payments	**372,587**	64,266
	1,616,117	1,262,710

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

Key management personnel transactions
From time to time, key management personnel may purchase goods from companies within the Group on the same terms as apply to other employees of the Group. The value of these transactions is insignificant.

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26. Related parties (continued)

Transactions with other related parties
The Group has a related party relationship with its controlled entities (see Note 24). Transactions between the parent entity and its controlled entities are eliminated on consolidation and are not disclosed.

27. Impairment and significant items

The following significant costs were incurred in the year ended 30 June 2021.

	2021 $'000	2020 $'000
Impairment and significant items		
Share-based payment expense true-up	**619**	-
Borrowing costs	**415**	-
Costs incurred as a result of changes to accounting policy	**507**	1,780
Impairment and other costs of Redcliffe lease FY21 – FY27	**-**	12,158
Inventory write-downs	**-**	6,434
Other	**803**	1,362
	2,344	21,734

Borrowing costs were incurred in the current financial year relating to refinancing activities during the year.

28. Events occurring after the reporting period

The Board has declared a final dividend of 3 cents per share, fully franked, in relation to the year ended 30 June 2021.

Other than the matters outlined elsewhere in the Groups financial statements, including pandemic related lockdowns and restrictions across most Australian and New Zealand jurisdictions, no other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

29. Changes to accounting policy

Software-as-a-Service (SaaS) arrangements

The International Financial Reporting Standards Interpretations Committee (IFRIC) has issued two final agenda decisions which impact SaaS arrangements:

- *Customer's right to receive access to the software hosted on the cloud* (March 2019). This decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- *Configuration or customisation costs in a cloud computing arrangement* (April 2021). This decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Group's accounting policy has historically been to capitalise all costs related to SaaS arrangements as intangible assets in the Statement of Financial Position. The adoption of the above agenda decisions has resulted in recognition as an expense in the Statement of Comprehensive Income, impacting both the current and/ prior periods presented.

The new accounting policy is presented in Note 1(j).

A total of $507,000 was incurred in the consolidated statement of profit or loss in the current period in relation to this change – refer to Note 27.

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29. Changes to accounting policy (continued)

Historical financial information has been restated to account for the impact of the change in accounting policy in relation to SaaS arrangements, as follows:

Consolidated statement of financial position

30 June 2020 $'000	As previously reported	Adjustments	As restated
Deferred tax asset	19,011	534	19,545
Intangible assets	47,902	(1,780)	46,122
Total non-current assets	**115,353**	**(1,246)**	**114,107**
Total assets	**215,581**	**(1,246)**	**214,335**
Net assets	**102,120**	**(1,246)**	**100,874**
Accumulated losses	(42,109)	**(1,246)**	(43,355)
Total equity	**102,120**	**(1,246)**	**100,874**

Consolidated statement of comprehensive income

30 June 2020 $'000	As previously reported	Adjustments	As restated
Impairment and significant items	**(19,954)**	**(1,780)**	**(21,734)**
Depreciation and amortisation	(11,969)	-	(11,969)
Profit/(loss) before financial income and tax	**(12,271)**	**(1,780)**	**(14,051)**
Profit/(loss) before tax	**(17,030)**	**(1,780)**	**(18,810)**
Income tax benefit/(expense)	17,821	534	18,355
Profit for year	**791**	**(1,246)**	**(455)**
Total comprehensive income for year	**277**	**(1,246)**	**(969)**
Earnings per share			
Basic	0.9 cents		(0.5) cents
Diluted	0.9 cents		(0.5) cents

Consolidated statement of cash flows

30 June 2020 $'000	As previously reported	Adjustments	As restated
Cash paid to suppliers and employees	(251,981)	(1,780)	(253,761)
Cash from/ (used in) operations	**20,978**	**(1,780)**	**19,198**
Net cash from operating activities	**14,786**	**(1,780)**	**13,006**
Acquisition of intangible assets	(2,431)	1,780	(651)
Net cash from/ (used in) investing activities	**(4,627)**	**1,780**	**(2,847)**

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Coventry Group Ltd
Directors' Report
For the year ended 30 June 2021

The directors present their report together with the consolidated financial report of the Group comprising Coventry Group Ltd (the "Company") and its controlled entities For the year ended 30 June 2021.

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1. Directors

Information on Directors

The directors of the Company at any time during or since the end of the financial year and up to the date of this report are:

Name, qualifications, independence status and special responsibilities	Experience and other directorships
Neil George Cathie FCPA, GAICD, FCIS Independent Non-Executive Chairman Chairman of Remuneration Committee Member Audit and Risk committee	Mr Cathie was appointed as a director of the Company in September 2014 and as Chairman in January 2015. He has extensive experience in very relevant areas including having a 27 year career at Australia's largest and most successful plumbing and bathroom distributor, ASX listed Reece Limited, during which time he served as its Chief Financial Officer, Company Secretary and General Manager, Finance and IT. Mr Cathie is a Non-executive Director of Experience Co. Limited (since 2019) and was a Non-executive Director of Millennium Services Group Limited from 16 October 2018 to 7 March 2019. He is also an independent advisor and Chair at Middendorp Electric and independent advisor at Bowens Timber & Hardware. He held no other listed company directorships during the past three financial years.
Robert James Bulluss FCPA, GAICD, B Bus (Acc) Managing Director Chief Executive Officer	Mr Bulluss was appointed Chief Executive Officer on 3 May 2017 and Managing Director and Chief Executive Officer on 29 August 2017. He was previously Chief Finance Officer (CFO) of the Company from October 2016 to April 2017. Prior to joining the Company he was CFO for over 15 years for the Australasian division of Bunzl plc. He held no other listed company directorships during the past three financial years.
Andrew William Nisbet GAICD Independent Non-Executive Director Member of Audit and Risk Committee Member of Remuneration Committee	Mr Nisbet was appointed as a director of the Company in October 2017. During his extensive career at ASX listed Reece Limited he held a variety of senior leadership roles, from Marketing to Merchandising, IT, Supply Chain Transformation, Innovation and the management of a number of Strategic Business Units, including the Reece expansion into New Zealand. Mr Nisbet is a graduate of the Australian Institute of Company Directors. he continues to consult to businesses on strategy and works with SME's in setting up their advisory boards. He held no other listed company directorships during the past three financial years.
James Scott Charles Todd B.Comm, LLB, FFin, MAICD Independent Non-Executive Director Chairman of Audit and Risk Committee Member of Remuneration Committee	Mr Todd was appointed as a director of the Company on 3 September 2018. Mr Todd is an experienced company director, corporate adviser and investor. He commenced his career in investment banking, and has taken active roles with, and invested in, a range of public and private companies. He was until recently Managing Director of Wolseley Private Equity, an independent private equity firm which he co-founded in 1999. He is also a Non-executive Director of three other ASX listed companies; IVE Group Limited (director since June 2015), HRL Holdings Limited (director since March 2018) and Bapcor Limited (director since September 2020). He has held no other listed company directorships during the past three financial years.
Tony Howarth AO **FAICD (Life), SF FIN (Life)** Non-Executive Director Member of Audit and Risk Committee Member of Remuneration Committee	Mr Howarth was appointed as a director of the Company on 4 May 2020. Mr Howarth has a strong background in the banking and finance industry having held executive positions in government, regional and major banks as well as building societies and stockbroking companies. He has broad based industry experience from his time as President of the Australian Chamber of Commerce and Industry and Australian International Chamber of Commerce, as well as Chair of Catholic Health Australia. He has had a long involvement with the University of Western Australia and is an Adjunct Professor at the UWA Business School. He is also a Non-Executive Director of Alinta Energy, BWP Management Ltd, and Viburnum Funds as well as the Chairman of St John of God Foundation Inc. Mr Howarth was a Non-Executive Director of Wesfarmers Ltd from 2007 to 2019 and Chairman of MMA Offshore Ltd from 2006 to 2017. Previously he had been Chairman of Home Building Society and Deputy Chairman of Bank of Queensland Ltd. He has held no other listed company directorships during the past three financial years.

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1. Directors (continued)

Directors' Interests

As at the date of this report particulars of the relevant interest of each director in the securities of the Company are as follows:

	Number of Ordinary Shares
NG Cathie	801,394
RJ Bulluss	437,925
AW Nisbet	119,885
JSC Todd	116,746
T Howarth	-

During the 2020/21 financial year and as at the date of this report no director has declared any interest in a contract or proposed contract with the Company, the nature of which would be required to be reported in accordance with subsection 300(11)(d) of the Corporations Act 2001.

Directors' Meetings

The following table sets out the number of meetings of the Company's board of directors and each board committee, held during the year ended 30 June 2021, and the number of meetings attended by each director.

	Board of Directors			Audit & Risk Committee			Remuneration Committee		
	Held	Eligible to attend	Attended	Held	Eligible to attend	Attended	Held	Eligible to attend	Attended
NG Cathie	11	11	11	3	3	3	3	3	3
RJ Bulluss	11	11	11	3	3	3	3	0	0
AW Nisbet	11	11	11	3	3	3	3	3	3
JSC Todd	11	11	11	3	3	3	3	3	3
T Howarth	11	11	11	3	3	3	3	3	3

Note: Directors may pass resolutions in writing without a formal meeting being convened. Such resolutions are deemed by the Company's Constitution to be meetings. The above table does not include such meetings.

2. Principal activities

The principal activities of the Group during the financial year were:

Trade Distribution

- The importation, distribution and marketing of industrial fasteners, stainless steel fasteners, construction fasteners, specialised fastener products and systems, industrial hardware and associated industrial tools and consumables.
- importation, distribution and marketing of hardware, components and finished products to the commercial cabinet making, joinery and shop fitting industries.

Fluid Systems

- design and installation of lubrication systems
- distribution of hose, connectors, fittings and hydraulic hose assemblies
- design and supply of service truck components
- installation of fire suppression systems
- design and distribution of fluid handling systems, pneumatic component sales and sale of hydraulic associated products and consumables
- rock hammer service and repairs

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3. Consolidated results

Results of the Group For the year ended 30 June 2021 were as follows:

	2021 $'000	2020 $'000
Revenue from sale of goods	**288,522**	247,567
Profit/(loss) before tax	**3,804**	(18,010)
Income tax benefit/(expense)	**3,442**	18,355
Profit/(loss) after tax for the year	**7,246**	(455)

4. Dividends

The Board has declared a final dividend of 3 cents per share, fully franked, in relation to the year ended 30 June 2021.

5. Review of operations and results

People

We had 7 Lost Time Injuries (LTI's) down from 13 in the previous year. All incidents and serious near misses are reviewed by our Safety team and the CLT to ensure we share lessons and improve safety systems. During the year we have appointed additional experienced health and safety professionals to improve health, safety and well-being outcomes and adapt to the changing environment we work and live in.

We remain fully focussed on our People, Customers and Suppliers, and applying our values of Fairness, Integrity, Respect, Safety and Teamwork (FIRST).

Financial performance*

	2021 $M	2020 $M	$M change
Revenue from sale of goods	**288.5**	247.6	+40.9
Underlying EBITDA**	**+13.4**	+6.6	+6.8
Underlying EBIT**	**+10.6**	+4.0	+6.6
NPAT	**+7.2**	-0.5	+7.7
NTA per share ($)	**0.41**	0.39	
Net cash/debt	**-16.3**	-3.3	-13.0
Share price at year end ($)	**1.45**	0.57	

* *Underlying EBITDA and Underlying EBIT are non-IFRS measures and reflect how management measure performance of the Group. Non-IFRS measures have not been subjected to audit.*

** *Underlying EBITDA is earnings before interest, tax, depreciation, amortisation and has been adjusted to exclude leases and significant items. Underlying EBIT is earnings before interest and tax and has been adjusted to exclude leases and significant items.*

Review of businesses

Fluid Systems

Fluid Systems (FS), led by Bruce Carter and his leadership team, have had another excellent year with strong sales and EBITDA growth in Cooper Fluid Systems (CFS) and Torque Industries. The H.I.S. Hose and Fluid Power Services businesses acquired during the year have performed to expectations and are excellent additions to the business.

FS full year sales growth of 24.1% including acquisitions on the prior year and 16.4% excluding acquisitions on the prior year. The result included the large $7.9m order that was the culmination of a number of years of work. Sales growth is being driven by our customer value proposition, ability to win major contracts, market leading position in mining and resources and diversification into agriculture, defence, transport and recycling markets. Underlying EBITDA in FY21 of $13.8m compared to $10.3m in FY20.

Trade Distribution (TD)

TD sales for the year up 11.8% on the prior year. The underlying EBITDA for TD was $11.7m compared to $6.7m in FY20.

Konnect and Artia New Zealand (KANZ)

KANZ had a solid year of sales and profit growth. Led by Mike Wansink and the KANZ leadership team the business has continued to grow in its traditional markets and expand our presence in the construction market. The last quarter of the year has seen the business impacted by supply chain issues and stock shortages in some key lines. We expect this to continue in the first half of FY22 but remain optimistic we will continue to grow sales and profit.

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5. Review of operations and results (continued)

Konnect and Artia Australia (KAA)

Whilst it has taken longer than anticipated, we are pleased to announce that after 10 years of significant losses KAA generated a small profit in FY21. Achieving the break-even point was a significant milestone for the business. We are confident that we have the right people, the right strategy and operate in resilient markets to deliver momentum for further sales and profit growth in FY22 and beyond.

Nubco

Our network of seven Nubco branches in Tasmania had an excellent year with very strong sales and profit growth. Nick Daw and the leadership team have worked hard to improve the culture based on the Coventry values and this has resulted in improved employee retention and engagement results. Safety systems have been improved with only one LTI for the year compared to seven in FY20.

6. Earnings per share

Basic earnings per share and diluted earnings per share for the year ended 30 June 2021 was 8.1 cents and 7.9 cents respectively. This compares to a basic loss from operations per share and diluted loss from operations per share of 0.5 cents for the previous year.

7. Significant change in the Company's affairs

In the opinion of the Directors, there have been no other significant changes in the Group's state of affairs during the financial year.

8. Events subsequent to reporting date

The Board has declared a final dividend of 3 cents per share, fully franked, in relation to the year ended 30 June 2021.

Other than the matters outlined elsewhere in the Groups financial statements, including pandemic related lockdowns and restrictions across most Australian and New Zealand jurisdictions, no other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

9. Likely developments

The Group will continue to implement its five-year strategy and continue to operate in the markets in which it currently participates.

10. Remuneration report - audited

Remuneration is referred to as compensation throughout this remuneration report.

10.1 Key Management Personnel (KMPs)

KMPs are the persons who have authority and responsibility for planning, directing and controlling the activities of the Company and the Group. The following were KMPs of the Group at any time during the reporting period and unless otherwise indicated were KMPs for the entire period:

Directors	***Key Management Personnel***
NG Cathie	RJ Jackson
RJ Bulluss (CEO and Managing Director)	
AW Nisbet	
JSC Todd	
T Howarth	

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10. Remuneration report – audited (continued)

10.2 Principles used to determine the nature and amount of compensation

Non-executive directors
Non-executive Directors receive cash fees for their board and committee work. They are eligible to participate in the Executive and Director Incentive Plan which was re-approved by shareholders at the Annual General Meeting of the Company in October 2020.

Non-executive directors' cash fees are determined within an aggregate directors' fees pool limit, which is periodically recommended for approval by shareholders. The total pool currently stands at $550,000 (2020: $550,000) per annum, which was last approved by shareholders in November 2004 with effect from 1 July 2004. The Board determines the allocation of the maximum amount approved by shareholders amongst the respective directors, having regard to their duties and responsibilities. Directors' fees are not directly linked to Company performance. Non-executive directors do not receive termination benefits. There is no provision for retirement allowances to be paid to non-executive directors.

As at 30 June 2021 the non-executive directors' fees were allocated as follows (includes statutory superannuation contributions):

	2021	**2020**
	$	**$**
Chairman (inclusive of Board and Committee work)	**100,800**	100,800
Non-executive Directors (inclusive of Board and Committee work)	**75,600**	75,600

Executive pay

Remuneration policies
Remuneration of directors and senior executives is the responsibility of the Remuneration Committee. The Committee has resolved to set remuneration packages which are appropriate in the context of the company's size, complexity and performance but which will attract the calibre of executive required to drive necessary change in order to enhance performance. The Committee seeks external advice in relation to these matters where necessary.

Remuneration for the CEO and senior executives currently comprises three elements:
(1) Fixed, cash-based remuneration which includes salary, superannuation and benefits
(2) Eligibility to participate in the Company's short-term incentive plan (STI Plan)
(3) Eligibility to participate in the Company's long-term share based Executive and Director Incentive Plan (LTI Plan)

The CEO and senior executives have employment contracts with notice periods executable by either party. There are no arrangements in place to provide the CEO or any senior executive with a retirement benefit other than those which accrue by law. Superannuation contributions are paid at the superannuation guarantee rate.

Cash incentives under the STI Plan of up to 65% of fixed annual compensation are payable to the CEO and senior executives based on financial and non-financial measures framed around the Company's trading performance and each individual's performance.

The LTI Plan was re-approved by shareholders at the 2020 annual general meeting. This share-based plan provides for the granting or issuing of performance rights in accordance with its terms and subject to the terms and performance hurdles set by the Board.

Business Performance

In considering the Group's performance and benefits for shareholder wealth, the remuneration committee have regard to the following financial performance metrics in respect of the current financial year and the previous four financial years.

	2021	**2020**	**2019**	**2018**	**2017[(i)]**
		$'000	**$'000**	**$'000**	**$'000**
Sales revenue	**288,522**	247,567	202,346	168,050	169,146
EBITDA	**13,357**	6,637	2,811	(4,748)	(5,790)
EBIT	**10.561**	4,026	1,145	(6,085)	(8,714)
NPAT [(ii)]	**7,246**	(455)	(1,426)	(8,301)	(35,539)
Dividends paid	**-**	-	-	-	-
Share price at year end ($)	**1.45**	0.57	0.91	1.35	0.60

(i) Comparative information for the year ended 30 June 2017 has not been restated for the effects of the application of AASB 5 Non-Current Assets for sale and Discontinued Operations following the disposal of the AA Gaskets business.
(ii) EBITDA is the key financial performance target considered in setting the Short-Term Incentive (STI).
(iii) Where applicable, comparative information has been restated for the effects of the application of new accounting standards.

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10. Remuneration report – audited (continued)

10.2 Principles used to determine the nature and amount of compensation (continued)

Performance Rights

Performance Rights Key Inputs

	FY19 Performance Period	FY20 Performance Period	FY21 Performance Period
Measurement date 10-day VWAP (iii)	$1.3429	$0.8482	$0.6021
No. of Performance Rights granted	489,292	1,164,237	1,424,504 (iv)
Grant date	25.10.2018	25.10.2019	29.10.2020
Share price at Grant Date	$1.0109	$1.30	$0.95
Vesting date (i)	30.8.2019	1.9.2020	1.9.21 (ii)
% of Performance Rights vested (i)	67%	33.3%	N/A (ii)
No. of eligible Performance Rights vested (i)	302,331	317,919	N/A (ii)
No. of Performance Rights lapsed & forfeited	186,961	846,318	N/A (ii)
No. of eligible Performance Rights exercised up to 30 June 2021	205,804	105,972	N/A
No. of Performance Rights remaining to be vested and/or exercised subject to service conditions	96,527	211,947	1,424,504

(i) Subject to service conditions.
(ii) Vesting determination not yet made.
(iii) Used to calculate grant of Performance Rights.
(iv) Performance rights granted in relation to FY21 will vest in accordance with performance and employment conditions and in three separate annual vesting events. Consequently, the share-based payments expense for FY21 is recognised based on graded vesting and the probability that 100% of participants will receive 100% of their grant over a three-year period.

Share-based payments recognised as an expense in the financial statements of the Company.

	FY19	FY20	FY21
No. of performance rights issued	489,292	1,164,237	1,424,504 (iv)
No. of eligible performance Rights vested	302,331	317,919	N/A (ii)
Share price at Grant Date	$1.0109	$1.30	$0.95
Share-based payments expense (v)	$305,626	$413,295	$826,989

(v) Share-based payment expense 'true up' in FY21 ($618,921) presented as a one-off non-cash significant item.

Performance Rights Commentary

In FY21, one third of the performance rights that were vested to the CEO and Managing Director (R Bulluss) in relation to the FY19 performance period and one third in relation to the FY20 performance period, were exercised. One third of the performance rights that were vested to five other Company senior executives in relation to the FY19 performance period and one third in relation to the FY20 performance period were also exercised in FY21.

In relation to FY21, the CEO and Managing Director (R Bulluss) was granted 418,535 performance rights under the terms of the LTI Plan following the successful passing of a resolution at the 2020 Annual General Meeting of the Company. These performance rights had a performance period that ended on 30 June 2021 with performance and employment conditions set by the Board. The Board has not yet made a determination in relation to the vesting of FY21 Performance Rights.

In relation to FY21 an offer to participate in the LTI Plan was made to a number of other Company senior executives. The total performance rights granted was 1,005,969. These Performance Rights had a performance period that ended on 30 June 2021 with performance and employment conditions set by the Board. The Board has not yet made a determination in relation to the vesting of FY21 Performance Rights.

It is intended that the CEO and Managing Director will participate in the LTI Plan in relation to FY22. The maximum face value of the CEO's FY22 grant is based on the LTI opportunity of 50% of his fixed annual remuneration. The number of performance rights to be granted is determined by dividing the maximum face value by the 10-day volume weighted average price (VWAP) of the Company's shares preceding the start of the performance period, being the 10 trading days up to and including 30 June 2021.

The performance rights will vest at the Board's discretion, taking into consideration internal EBITDA targets developed and refined as FY22 progresses (Absolute measure 65%) and performance of the Coventry share price as measured against the ASX Small Ordinaries Index (Relative measure 35%). An appropriate resolution will be put to the 2021 Annual General Meeting of the Company.

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10. Remuneration report – audited (continued)

10.2 Principles used to determine the nature and amount of compensation (continued)

It is intended that a number of senior executives will participate in the LTI Plan in relation to FY22. The maximum face value of each senior executive's FY22 grant is based on the LTI opportunity of 25% to 40% of his or her fixed annual remuneration. The number of performance rights to be granted is determined by dividing the maximum face value by the 10-day volume weighted average price (VWAP) of the Company's shares preceding the start of the performance period, being the 10 trading days up to and including 30 June 2021. The performance rights will vest in the same manner as outlined for the CEO and Managing Director.

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10. Remuneration report – audited (continued)

10.3 Details of compensation

The following table provides the details, nature and amount of elements of compensation for the key management personnel of the Company and the Group For the year ended 30 June 2021.

		Short-term				Post-employment	Share-based payment				
		Cash salary, leave paid and fees	STI cash bonus	Non-monetary benefits	Total	Super-annuation (i)	Long-service & annual leave provision accrual	Termination benefits	Share-based payment	Total	Proportion of remuneration performance related
		$	$	$	$	$	$	$	$	$	
Directors											
NG Cathie - Chairman	**2021**	**92,055**	-	-	**92,055**	**8,745**	**-**	-	-	**100,800**	-
	2020	92,055	-	-	92,055	8,745	-	-	-	100,800	-
RJ Bulluss	**2021**	**398,306**	**20,100**	-	**418,406**	**21,694**	**66,385**	-	**242,979**	**749,464**	**35.10%**
	2020	398,997	40,200	-	439,197	21,003	69,193	-	41,910	571,303	14.4%
AW Nisbet	**2021**	**69,041**	-	-	**69,041**	**6,559**	**-**	-	-	**75,600**	-
	2020	69,041	-	-	69,041	6,559	-	-	-	75,600	-
JSC Todd	**2021**	**69,041**	-	-	**69,041**	**6,559**	**-**	-	-	**75,600**	-
	2020	69,041	-	-	69,041	6,559	-	-	-	75,600	-
T Howarth (appointed 04 May 2020)	**2021**	**69,041**	-	-	**69,041**	**6,559**	**-**	-	-	**75,600**	-
	2020	11,233	-	-	11,233	1,067	-	-	-	12,300	-
Total directors' remuneration	**2021**	**697,484**	**20,100**	**-**	**717,584**	**50,116**	**66,385**	-	**242,979**	**1,077,064**	-
	2020	640,367	40,200	-	680,567	43,933	69,193	-	41,910	835,603	-
Key Management Personnel											
RJ Jackson	**2021**	**314,357**	**16,083**	**-**	**330,440**	**21,694**	**57,311**	-	**129,608**	**539,052**	**27.03%**
	2020	315,049	32,165	-	347,214	21,003	36,534	-	22,356	427,107	12.8%
Total key management personnel remuneration	**2021**	**314,357**	**16,083**	**-**	**330,440**	**21,694**	**57,311**	-	**129,608**	**539,052**	-
	2020	315,049	32,165	-	347,214	21,003	36,534	-	22,356	427,107	-
Total directors' and key management personnel remuneration	**2021**	**1,011,841**	**36,183**	**-**	**1,048,024**	**71,810**	**123,696**	-	**372,587**	**1,616,117**	-
	2020	955,416	72,365	-	1,027,781	64,936	105,727	-	64,266	1,262,710	-

Premiums in respect of the Directors' and Officers' insurance policy are not included above, as the policy does not specify the premium paid in respect of individual directors and officers.

(i) Includes statutory superannuation contributions and additional voluntary contributions.
(ii) The share-based payment amounts for Mr Bulluss and Mr Jackson relate to their FY21 Long-term incentive remuneration only. Share-based payment true-up amounts in relation to FY19 and FY20 (RJ Bulluss $207,752; RJ Jackson $110,817) reported in the expense recognition table on page 30 and detailed in Note 27, are not reflected above.

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10. Remuneration report – audited (continued)

10.4 Service contracts

Compensation and other terms of employment for the CEO and Managing Director and other key management personnel are formalised in employment contracts. Major provisions of the contracts relating to compensation are set out below:

Robert Bulluss, CEO and Managing Director
- The contract has no fixed term.
- Fixed annual compensation to be reviewed annually by the Remuneration Committee.
- Long service leave is payable by the Company in accordance with relevant state legislation.
- The contract provides for participation in short-term and long-term incentive plans.
- Other than for an act that may have a serious detrimental effect on the Company, such as wilful disobedience, fraud or misconduct, termination of employment requires six months' notice by the Company.

Rodney Jackson, Chief Financial Officer
- The contract has no fixed term.
- Fixed annual compensation to be reviewed annually by the Remuneration Committee.
- Long service leave is payable by the Company in accordance with relevant state legislation.
- The contract provides for participation in short-term and long-term incentive plans.
- Other than for an act that may have a serious detrimental effect on the Company, such as wilful disobedience, fraud or misconduct, termination of employment requires eighteen weeks' notice by the Company.

10.5 Director share movement

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Directors	Held at 30 June 2020	Purchases	Conversion of Performance Rights	Sales / Cancelled	Held at Resignation / Retirement	Held at 30 June 2021
NG Cathie	**744,397**	56,997	-	-	-	**801,394**
AW Nisbet	**119,885**	-	-	-	-	**119,885**
RJ Bulluss	**339,914**	24,489	72,892	-	-	**437,295**
JSC Todd	**116,746**	-	-	-	-	**116,746**
T Howarth	**-**	-	-	-	-	**-**
Key Management Personnel						
RJ Jackson	**84,512**	6,391	38,882	-	-	**129,785**

Mr Howarth has declared his indirect interest in the shares of the Company as being a shareholder of Viburnum Funds Pty Ltd who is a major shareholder of the Company.

End of remuneration report

11. Environmental regulation

The Group is not subject to any specific environmental regulation.

The Group mainly operates warehousing and distribution facilities throughout Australia and New Zealand which have general obligations under environmental legislation of the respective statutory authorities in relation to pollution prevention.

The Company has reviewed its obligations under the National Greenhouse & Energy Reporting Act 2007 (the Act). As the Group is under the minimum greenhouse and energy thresholds stipulated in the Act, there are no registration and reporting requirements that have to be complied with as at the date of this report.

For the financial year ended 30 June 2021 and as at the date of this report, the Group has not been prosecuted nor incurred any infringement penalty for environmental incidents.

12. Insurance of officers

During the financial year the Company has paid premiums in respect of contracts insuring the directors and officers of the Company against certain liabilities incurred in those capacities. The contracts prohibit further disclosure of the nature of the liabilities and the amounts of the premiums.

13. Corporate governance

The Statement of Corporate Governance Practices is disclosed on the company's website.

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14. Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties. The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001, for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Company's Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out in Note 4 to the full financial report.

15. Lead Auditor's independence declaration

The lead auditor's independence declaration made in accordance with Section 307C of the Corporations Act 2001 forms part of this directors' report.

16. Company Secretary

Mr Mark Licciardo of Mertons Corporate Services Pty Ltd is the Company Secretary.

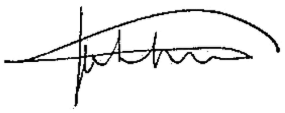
Mr Licciardo (B.Bus (Acc), GradDip CSP, FAICD, FGIA, FCIS) is the founder and Managing Director of Mertons Corporate Services Pty Ltd and a former company secretary of a number of ASX 50 companies. His expertise includes working with boards of directors in the areas of corporate governance, business management, administration, consulting and company secretarial matters.

17. Rounding off

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors.

N.G. CATHIE
Chairman
Melbourne
27 August 2021



R.J. BULLUSS
CEO and Managing Director
Melbourne
27 August 2021

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Coventry Group Ltd and its controlled entities
Directors' declaration

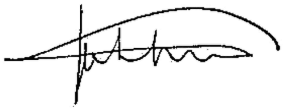
1. In the opinion of the directors of Coventry Group Ltd ("the Group"):

   a) the financial statements and notes, and the remuneration report in the directors' report, set out on pages 41 to 50, are in accordance with the Corporations Act 2001, including:
      i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of their performance, for the financial year ended on that date; and
      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
   b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a) of the full financial report;
   c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations by the chief executive officer and chief financial officer for the financial year ended 30 June 2021 pursuant to Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors.

N.G. CATHIE
Chairman
Melbourne
27 August 2021



R.J. BULLUSS
CEO and Managing Director
Melbourne
27 August 2021

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

To the Directors of Coventry Group Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Coventry Group Ltd for the financial year ended 30 June 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

J. Carey

KPMG

J. Carey

Partner

Melbourne

27 August 2021

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Independent Auditor's Report

To the shareholders of Coventry Group Ltd

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Coventry Group Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2021;
- Consolidated statement of profit or loss, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of Coventry Group Ltd (the Company) and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of goodwill ($30.3 million) and indefinite life intangible assets ($11.4 million)	
Refer to Note 15 and Note 16 to the Financial Report.	
The key audit matter	**How the matter was addressed in our audit**
The carrying value of goodwill and other intangible assets is considered with reference to the Group's analysis of future cash flows for the respective Cash Generating Units (CGUs) or individual assets (as applicable). The recoverability of these assets is a key audit matter due to the inherent complexity associated with auditing the forward looking assumptions incorporated in the Group's "value in use" (VIU) models and the ongoing estimation uncertainty associated with the business disruption and economic impact of the COVID-19 pandemic. The Group's VIU models are internally developed, and use a range of internal and external data as inputs. Forward looking assumptions may be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, over key assumptions including forecast cash flows, forecast growth rates over the forecast period and discount rates. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Our procedures included: • assessing the Group's VIU models and key assumptions by: - evaluating the appropriateness of the CGU designation and VIU method applied by the Group against accounting standard requirements; - comparing inputs into the relevant cash flow forecasts to the Group's approved budgets and projections; - assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models, including assessing the impact of business changes; - using our knowledge of the Group, its past performance, and our industry knowledge to challenge and assess the reasonableness of key assumptions; and - working with our valuation specialists, we independently developed a discount rate range using publicly available market data for comparable entities, adjusted by risk factors specific to the Group. • considering the sensitivity of the models by varying key assumptions, such as forecast growth rates and discount rates, within a reasonably possible range, to identify those assumptions at higher risk of bias or inconsistency in application. We also assessed the related impairment breakeven points for these assumptions in order to identify those assets at higher risk of impairment and to focus our further procedures;

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	• working with our valuation specialists we compared the implied multiples from the Group's models to multiples derived from comparable companies; • assessing the disclosures in the financial report using our understanding of the recoverability assessment obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Coventry Group Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

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accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Coventry Group Ltd for the year ended 30 June 2021, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 40 to 46 of the Directors' report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

J. Carey

Partner

Melbourne

27 August 2021

Coventry Group Ltd
Shareholder Information
As at 23 August 2021

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TWENTY LARGEST SHAREHOLDERS

		Ordinary Shares	
	Name	**Number**	**% of Total**
1	J P MORGAN NOMINEES AUSTRALIA PTY LTD	22,561,085	25.06
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,004,500	15.56
3	NATIONAL NOMINEES LIMITED	9,097,578	10.11
4	ONE MANAGED INVT FUNDS LTD <SANDON CAPITAL INV LTD A/C>	4,547,832	5.05
5	ONE FUND SERVICES LTD <SANDON CAPITAL INV LTD A/C>	3,442,445	3.82
6	CITICORP NOMINEES PTY LIMITED	3,271,884	3.63
7	LA VIE INVESTMENTS PTY LTD <PJ FAMILY A/C>	2,400,000	2.67
8	ONE MANAGED INVT FUNDS LTD	1,456,704	1.62
9	DORSETT INVESTMENTS PTY LTD	1,356,660	1.51
10	DIXSON TRUST PTY LIMITED	1,145,244	1.27
11	MRS ANNE KYLE	1,000,000	1.11
12	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	958,318	1.06
13	DIXSON TRUST PTY LIMITED <NO 1 A/C>	884,855	0.98
14	BNP PARIBAS NOMS (NZ) LTD <DRP>	823,207	0.91
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	654,674	0.73
16	ROMNEY LODGE PTY LTD	478,523	0.53
17	MR GEOFFREY KYLE	460,000	0.51
18	ELLAND ROAD PTY LTD	455,333	0.51
19	ARUMA BEACH PTY LTD	440,000	0.49
20	MR ROBERT BULLUSS	437,295	0.49
		69,876,137	**77.63**

DISTRIBUTION OF SHAREHOLDING

Size of holding	**Number of holders**	**%**	**Number of shares**	**%**
1 – 1,000	416	25.14	233,135	0.26
1,001 - 5,000	649	39.21	1,639,684	1.82
5,001 - 10,000	219	13.23	1,630,409	1.81
10,001 - 100,000	311	18.79	9,534,762	10.59
100,001 Over	60	3.63	76,973,454	85.52
	1,655	100.00	90,011,444	100.00

	Minimum Parcel Size	**Holders**	**Units**
Unmarketable parcels field information:	341	89	7,014

SUBSTANTIAL SHAREHOLDERS

The Company's register of substantial shareholders showed the following particulars as at 23 August 2021.

Name of Substantial Shareholder	**Extent of Interest (Number of Shares)**	**Date of last notification**
Viburnum Funds Pty Ltd	25,696,019	18/05/2021
Richmond Hill Capital Pty Ltd	10,170,083	22/07/2021
Sandon Capital Pty Ltd	8,563,454	16/09/2019
Castle Point Funds Management	6,210,518	15/10/2020
DUMAC Inc.	4,498,152	19/12/2019

Coventry Group Ltd
Shareholder Information
As at 23 August 2021

UNQUOTED EQUITY SECURITIES
Nil

SECURITIES SUBJECT TO VOLUNTARY ESCROW
On 9 March 2021 the Company released 2,400,000 fully paid ordinary shares held in voluntary escrow. There are no other securities on issue subject to voluntary escrow.

VOTING RIGHTS
Each member present at a general meeting of the Company in person or by proxy, attorney or official representative is entitled:

- on a show of hands - to one vote
- on a poll - to one vote for each share held

There are no other classes of equity securities.

ON-MARKET BUY-BACK
On 3 June 2021 the Company announced an on-market buy-back of a maximum of 9,001,144 ordinary fully paid shares (up to 10% of issued capital) in the Company from the period 3 June 2021 to 3 June 2022.

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Coventry Group Ltd
Corporate Directory

Coventry Group
ABN 37 008 670 102

Registered and Principal Administrative Office
235 Settlement Road,
Thomastown, Victoria 3074

Postal Address
P O Box 526
Thomastown, Victoria 3074

Website
www.cgl.com.au

Secretary
Mark Licciardo

Bankers
National Australia Bank Limited
Australian and New Zealand Banking Group Limited
Scottish Pacific Business Finance Pty Ltd

Auditors
KPMG
Tower Two
Collins Square
727 Collins Street
Melbourne, Victoria 3008

Share Registry
Computershare Limited
Yarra Falls
452 Johnston Street, Abbotsford
Melbourne Victoria 3067

or

GPO Box 2975
Melbourne, Victoria 3000

Telephone from within Australia: 1300 763 414
Telephone from outside Australia: (+61) 3 9415 5000
Facsimile: +(61) 3 9473 2500
Email: web.queries@computershare.com.au
Website: www.investorcentre.com

Securities Exchange Listing
The Company's shares are listed on the ASX Limited and trade under the code CYG. The home exchange is Melbourne.

Shareholder Enquiries/Change of Address
Shareholders wishing to enquire about their shareholdings, dividend payments, or change their address should contact the Company's share registry.

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