

For personal use only



**FFI HOLDINGS LIMITED**

**ABN 32 009 155 328**

**ASX PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021  
(APPENDIX 4E)**

# F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

## APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

### CONTENTS

|   |    |
|---|----|
| Cover Page  | 1  |
| Appendix 4E   | 3  |
| Commentary on Financial Results   | 4  |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 6  |
| Consolidated Statement of Financial Position                            | 7  |
| Consolidated Statement of Changes in Equity                             | 8  |
| Consolidated Statement of Cash Flows                                    | 9  |
| Notes to the Preliminary Final Report                                   | 10 |

For personal use only

## F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

### APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

Movement from the previous corresponding period (12 months ended 30 June 2020) for:

|  |    |        |    |              |
|--|----|--------|----|--------------|
| Revenue from ordinary activities - continuing operations                 | up | 5.4%   | to | \$37,297,337 |
| Profit/(loss) from ordinary activities after tax attributable to members | up | 144.0% | to | \$8,723,290  |
| Net profit/(loss) attributable to members                                | up | 144.0% | to | \$8,723,290  |

#### DIVIDENDS

|  | Amount per security | Franked amount per security |
|--|---------------------|-----------------------------|
| Final dividend this period                               | 14.0 cents          | 14.0 cents                  |
| Final dividend previous corresponding period             | 13.0 cents          | 13.0 cents                  |
| Interim dividend – paid 26 March 2021                    | 12.0 cents          | 12.0 cents                  |
| Interim dividend previous corresponding period           | 11.0 cents          | 11.0 cents                  |
| Record date for determining entitlements to the dividend |                     | 14 September 2021           |
| Payment date for the dividend                            |                     | 24 September 2021           |

The Company's Dividend Reinvestment Plan (DRP) remains suspended and will not be in operation for the final dividend payable on 24 September 2021. There is no foreign sourced dividend.

#### NET TANGIBLE ASSETS

|                                  | Current period<br>30/6/2021 | Previous<br>corresponding<br>period<br>30/6/2020 |
|----------------------------------|-----------------------------|--|
| Net tangible assets per security | \$4.02                      | \$3.44   |

## F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

### APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

## COMMENTARY ON RESULTS

The Company achieved a net profit before tax attributable to members of \$11.58 million for the year ended 30 June 2021 in line with previous guidance. The profit includes income relating to the compensation received from Main Roads of Western Australia (MRWA) for the compulsory acquisition of part of the Company's land holdings.

The underlying performance of the business, represented by net profit before tax excluding the financial impact of the MRWA compulsory acquisition process, gains of revaluation of investment properties and the positive effect of the decrease in the Company's corporate tax rate, increased by a solid 16.0% to \$4.69 million.

As reported on 19 April 2021, the Company accepted an offer of \$9.95 million from MRWA as full and final settlement of the Company's claim for compensation. The amount was inclusive of the advanced payment of \$5.44 million that the Company received during the previous financial year. The settlement amount included compensation for the land taken, as well as damage suffered by the Company due to business disruption, severance of the land and the reinstatement of business assets.

The Company also received an additional amount from MRWA of \$0.49 million for interest as reported on 21 June 2021. The Company is continuing to undertake the site and building works required as a result of the compulsory land taking.

A summary of the reported profit result is shown below:

| Year ended 30 June (\$'000)                               | Note | 2021          | 2020         | Change        |
|---|------|---------------|--------------|---------------|
| <b>Reported net profit before tax</b>                     |      | <b>11,581</b> | <b>4,657</b> | <b>148.6%</b> |
| Other income - MRWA related                               | 2    | (6,832)       | (30)         |               |
| Interest from MRWA  | 2    | (492)         | (254)        |               |
| Professional fees related to MRWA process                 | 3    | 435           | -            |               |
| Other income – gain on revaluation of investment property | 2    | -             | (329)        |               |
| <b>Underlying net profit before tax</b>                   |      | <b>4,692</b>  | <b>4,044</b> | <b>16.0%</b>  |

Sales revenue from the Company's food operations increased by 4.75% to \$35.5 million from \$33.9 million previously. The steady sales growth mainly relates to the Company's important chocolate, cake decorations and bakers filling division.

Rent received from the Company's investment properties increased by 5.3% to \$1.19 million from \$1.13 million previously. The increase in rental income reflects the premium quality and location of the Company's properties.

During the year under review, gross profit margins remained relatively steady, while the careful management of operating expenses also materially contributed to the improved profit result.

As a leading Australian food company, certified to a range of high quality food manufacturing standards, COVID-19 has had a minimal impact on the Company apart from the implementation of some additional operating safeguards.

The asset values for the Company's investment properties as at 30 June 2021 remain unchanged from the valuations used in the 30<sup>th</sup> June 2020 annual accounts.

## F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

### APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Company continues to be in a very strong financial position with net assets of \$43.87 million (net tangible asset backing per share of \$4.02), no debt and cash reserves of \$5.46 million.

The Directors have declared a fully franked final dividend of 14.0 cents per share, up 7.7% on the previous year final dividend. Together with the interim dividend of 12.0 cents per share, this brings total ordinary dividends for the year to 26.0 cents per share fully franked, up 8.3% from the previous year.



**Rodney Moonen**

**Chairman**

**19<sup>th</sup> August 2021**

For personal use only

# F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

## APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

|  | Note | 2021<br>\$   | 2020<br>\$   |
|--|------|--------------|--------------|
| Revenue from continuing operations   | 2    | 37,297,337   | 35,389,434   |
| Other income   | 2    | 6,831,529    | 358,997      |
| Changes in inventories of finished goods and work in progress  |      | 579,444      | 599,525      |
| Raw materials and consumables used   |      | (18,426,579) | (17,325,095) |
| Employee benefits expense  |      | (7,900,100)  | (7,773,244)  |
| Depreciation and amortisation expense  | 3    | (798,942)    | (727,471)    |
| Repairs and maintenance expense  |      | (960,297)    | (1,058,523)  |
| Freight expense  |      | (1,319,571)  | (1,381,666)  |
| Finance costs  | 3    | -            | (106,679)    |
| Other expenses   |      | (3,721,876)  | (3,318,154)  |
| Profit before income tax from continuing operations  |      | 11,580,945   | 4,657,124    |
| Income tax expense   |      |              |              |
| Current year income tax  | 4    | (2,994,190)  | (1,218,946)  |
| Current year income tax adjustment for change in tax treatment of non-current assets   | 4    | (285,632)    | -            |
| Income tax benefit on restatement of deferred tax liabilities due to change in the Company's tax rate from 27.5% to 25% on 1 July 2021 | 4    | 422,167      | -            |
| Profit after tax from continuing operations  |      | 8,723,290    | 3,438,178    |
| Discontinued operations  |      |              |              |
| Profit/(loss) from discontinued operations after tax   | 5    | -            | 137,107      |
| Profit for the period  |      | 8,723,290    | 3,575,285    |
| Other comprehensive income for the period  |      | -            | -            |
| Items that will not be reclassified to profit or loss:   |      |              |              |
| Net gain on revaluation of land and buildings  |      | -            | 479,031      |
| Movement in reserve due to changes in the Company's tax rate   |      | 120,285      | -            |
| Items that may be reclassified subsequently to profit or loss  |      | -            | -            |
| Other comprehensive income for the period, net of tax  |      | 120,285      | 479,031      |
| Total comprehensive income for the period  |      | 8,843,575    | 4,054,316    |
| Net profit attributable to:  |      |              |              |
| Members of the parent entity   |      | 8,723,290    | 3,575,285    |
|  |      | 8,723,290    | 3,575,285    |
| Total comprehensive income attributable to:  |      |              |              |
| Members of the parent entity   |      | 8,843,575    | 4,054,316    |
|  |      | 8,843,575    | 4,054,316    |
| Basic earnings per share (cents per share)   | 6    | 81.0         | 33.2         |
| Basic earnings per share from continuing operations (cents per share)  | 6    | 81.0         | 31.9         |
| Basic earnings per share from discontinued operations (cents per share)  | 6    | -            | 1.3          |

*The accompanying notes form part of these financial statements.*

# F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

## APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

|                                      | Note | 2021<br>\$ | 2020<br>\$ |
|--------------------------------------|------|------------|------------|
| <b>CURRENT ASSETS</b>                |      |            |            |
| Cash and cash equivalents            | 25   | 5,463,450  | 2,182,169  |
| Trade and other receivables          | 8    | 5,050,283  | 5,492,284  |
| Inventories                          | 9    | 7,279,404  | 6,737,651  |
| Other current assets                 | 10   | 458,298    | 299,778    |
| <b>TOTAL CURRENT ASSETS</b>          |      | 18,251,435 | 14,711,882 |
| <b>NON-CURRENT ASSETS</b>            |      |            |            |
| Trade and other receivables          | 8    | 222,204    | 249,495    |
| Financial assets                     | 13   | 71,536     | 71,536     |
| Property, plant and equipment        | 11   | 14,833,589 | 13,363,073 |
| Investment property                  | 12   | 20,478,906 | 20,478,906 |
| Intangible assets                    | 14   | 552,762    | 552,762    |
| Deferred tax assets                  | 15   | 318,236    | 340,509    |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | 36,477,233 | 35,056,281 |
| <b>TOTAL ASSETS</b>                  |      | 54,728,668 | 49,768,163 |
| <b>CURRENT LIABILITIES</b>           |      |            |            |
| Trade and other payables             | 16   | 2,820,441  | 4,182,610  |
| Advance received                     | 17   | -          | 1,467,029  |
| Current tax liabilities              | 19   | 471,003    | 290,008    |
| Short-term provisions                | 20   | 919,948    | 779,369    |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | 4,211,392  | 6,719,016  |
| <b>NON-CURRENT LIABILITIES</b>       |      |            |            |
| Trade and other payables             | 16   | 38,564     | 41,564     |
| Deferred tax liabilities             | 19   | 6,613,197  | 5,403,152  |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | 6,651,761  | 5,444,716  |
| <b>TOTAL LIABILITIES</b>             |      | 10,863,153 | 12,163,732 |
| <b>NET ASSETS</b>                    |      | 43,865,515 | 37,604,431 |
| <b>EQUITY</b>                        |      |            |            |
| Contributed equity                   | 21   | 19,939,268 | 19,829,268 |
| Reserves                             | 22   | 4,372,908  | 4,252,623  |
| Retained earnings                    | 23   | 19,553,339 | 13,522,540 |
| Parent interest                      |      | 43,865,515 | 37,604,431 |
| <b>TOTAL EQUITY</b>                  |      | 43,865,515 | 37,604,431 |

*The accompanying notes form part of these financial statements.*

For personal use only

## F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

### APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

|  | Ordinary Share<br>Capital<br>\$ | Retained<br>Earnings<br>\$ | Reserves<br>\$   | Total<br>\$       |
|--|---------------------------------|----------------------------|------------------|-------------------|
| <b>Balance at 1.7.2020</b>   | 19,829,268                      | 13,522,540                 | 4,252,623        | 37,604,431        |
| Comprehensive income:  |                                 |                            |                  |                   |
| Profit attributable to members of parent entity  | -                               | 8,723,290                  | -                | 8,723,290         |
| Other comprehensive income   |                                 |                            |                  |                   |
| Income tax benefit on restatement of deferred tax liabilities due to change in the Company's tax rate from 27.5% to 25% on 1 July 2021 | -                               | -                          | 120,285          | 120,285           |
| Total comprehensive income for the period  | -                               | 8,723,290                  | 120,285          | 8,843,575         |
| Transactions with owners, in their capacity as owners, and other transfers   | -                               | -                          | -                | -                 |
| Shares issued during the period  | 110,000                         | -                          | -                | 110,000           |
| Dividends recognised for the period  | -                               | (2,692,491)                | -                | (2,692,491)       |
| Total transactions with owners and other transfers   | 110,000                         | (2,692,491)                | -                | (2,582,491)       |
| <b>Balance at 30.6.2021</b>  | <b>19,939,268</b>               | <b>19,553,339</b>          | <b>4,372,908</b> | <b>43,865,515</b> |
| <br>   |                                 |                            |                  |                   |
| <b>Balance at 1.7.2019</b>   | 19,829,268                      | 12,422,140                 | 3,773,592        | 36,025,000        |
| Comprehensive income:  |                                 |                            |                  |                   |
| Profit attributable to members of parent entity  | -                               | 3,575,285                  | -                | 3,575,285         |
| Other comprehensive income:  |                                 |                            |                  |                   |
| Revaluation of land  | -                               | -                          | 479,031          | 479,031           |
| Total comprehensive income for the period  | -                               | 3,575,285                  | 479,031          | 4,054,316         |
| Transactions with owners, in their capacity as owners, and other transfers   |                                 |                            |                  |                   |
| Dividends recognised for the period  | -                               | (2,474,885)                | -                | (2,474,885)       |
| Total transactions with owners and other transfers   | -                               | (2,474,885)                | -                | (2,474,885)       |
| <b>Balance at 30.6.2020</b>  | <b>19,829,268</b>               | <b>13,522,540</b>          | <b>4,252,623</b> | <b>37,604,431</b> |

*The accompanying notes form part of these financial statements.*

For personal use only



# F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

## APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

|   | Note | 2021<br>\$   | 2020<br>\$   |
|---|------|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |      |              |              |
| Receipts from customers                             |      | 37,304,964   | 36,872,788   |
| Payments to suppliers and employees                 |      | (33,573,343) | (33,522,156) |
| Dividends received                                  |      | 1,422        | 1,422        |
| Interest received                                   |      | 492,546      | 276,561      |
| Finance costs                                       |      | -            | (106,679)    |
| Income tax refunded/(paid)                          |      | (1,324,057)  | (1,218,329)  |
| Net cash provided by (used in) operating activities | 24   | 2,901,532    | 2,303,607    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |      |              |              |
| Proceeds from sale of property, plant and equipment |      | -            | 1,266,951    |
| Proceeds from MRWA for investment land taken        |      | -            | 170,000      |
| Proceeds from MRWA for costs recovered              |      | -            | 15,000       |
| Proceeds from MRWA for land taken                   | 18   | 4,505,000    | 5,441,000    |
| Purchase of property, plant and equipment           |      | (1,322,200)  | (1,925,624)  |
| Own use property development costs                  |      | (147,352)    | (231,429)    |
| Investment property development costs               |      | -            | (8,094)      |
| Net cash provided by (used in) investing activities |      | 3,035,448    | 4,727,804    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |      |              |              |
| Repayment of employee share loans                   |      | 27,291       | 25,108       |
| Proceeds from issue of shares                       |      | 12,501       | -            |
| Repayment of borrowings                             |      | -            | (4,500,000)  |
| Repayment of bond                                   |      | (3,000)      | -            |
| Dividends paid by parent entity                     |      | (2,692,491)  | (2,474,884)  |
| Net cash provided by (used in) financing activities |      | (2,655,699)  | (6,949,776)  |
| Net increase (decrease) in cash held                |      | 3,281,281    | 81,635       |
| Cash at 1 July 2020                                 |      | 2,182,169    | 2,100,534    |
| Cash at 30 June 2021                                | 25   | 5,463,450    | 2,182,169    |

The accompanying notes form part of these financial statements.

## **F.F.I. HOLDINGS LIMITED**

(ABN 32 009 155 328)

### **APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

#### **NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

##### **NOTE 1: BASIS OF PREPARATION OF THE PRELIMINARY FINAL REPORT**

The financial report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. The accounting policies have been consistently applied, unless otherwise stated.

The financial report covers the economic entity of F.F.I. Holdings Limited and controlled entities.

F.F.I. Holdings Limited is a listed public company, incorporated and domiciled in Australia.

For personal use only

## F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

### APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

#### NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021       | 2020       |
|---|------------|------------|
|   | \$         | \$         |
| <b>NOTE 2: REVENUE AND OTHER INCOME</b>             |            |            |
| Revenue   |            |            |
| — Sale of goods                                     | 35,510,415 | 33,901,001 |
| — Dividends received                                | 1,422      | 353        |
| — Interest received                                 | 492,546    | 273,169    |
| — Rent received                                     | 1,189,879  | 1,129,778  |
| — Other revenue                                     | 103,075    | 85,133     |
| Total revenue                                       | 37,297,337 | 35,389,434 |
| (a) Dividend revenue from:                          |            |            |
| — Other corporations                                | 1,422      | 353        |
| Total dividend revenue                              | 1,422      | 353        |
| (b) Interest revenue from:                          |            |            |
| — MRWA  | 492,464    | 254,218    |
| — Other corporations                                | 82         | 18,951     |
| Total interest revenue                              | 492,546    | 273,169    |
| (c) Rental revenue from:                            |            |            |
| — Other corporations                                | 1,189,879  | 1,129,778  |
| Total rental revenue                                | 1,189,879  | 1,129,778  |
| Other income  |            |            |
| — Compensation income for land taken - MRWA         | 6,099,850  | -          |
| — Gain/(Loss) on sale of investment property – MRWA | 528,977    | 30,386     |
| — Gain/(Loss) on sale of own use property – MRWA    | 202,702    | -          |
| — Gain/(Loss) on revaluation of investment property | -          | 328,611    |
| — Gain/(Loss) on disposal of non-current assets     | -          | -          |
| Total other income                                  | 6,831,529  | 358,997    |

#### NOTE 3: PROFIT/(LOSS) FOR THE YEAR

Profit /(loss) from ordinary activities before income tax has been determined after:

##### Expenses

|  |            |            |
|--|------------|------------|
| — Cost of sales  | 27,217,747 | 25,767,003 |
| — Finance costs - external                             | -          | 106,679    |
| — Depreciation of buildings                            | 48,052     | 44,097     |
| — Depreciation of plant and equipment                  | 750,890    | 683,374    |
| — Bad and doubtful debts – trade receivables           | -          | 10,882     |
| — Rental expense on short term leases                  | 58,999     | 60,861     |
| — Employee benefits - superannuation                   | 476,752    | 450,260    |
| — Legal & expert fees related to MRWA land taken claim | 435,356    | -          |

For personal use only

**F.F.I. HOLDINGS LIMITED**

(ABN 32 009 155 328)

**APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021****NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

|  | 2021       | 2020      |
|--|------------|-----------|
|  | \$         | \$        |
| <b>NOTE 4: INCOME TAX EXPENSE</b>  |            |           |
| The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:                   |            |           |
| Operating profit/(loss) before income tax  | 11,580,945 | 4,657,124 |
| Prima facie tax payable on profit from ordinary activities before income tax at 26% (2020: 27.5%)                                      | 3,011,046  | 1,280,709 |
| Add:   |            |           |
| Tax effect of:   |            |           |
| Non-deductible depreciation and amortisation   | 12,493     | 12,127    |
| Other non-allowable items  | 1,561      | 2,253     |
| Income tax adjustment for change in tax treatment of non-current assets  | 285,632    | -         |
| Under provision for income tax in prior year   | 2,737      | -         |
|  | 3,313,469  | 1,295,089 |
| Less:  |            |           |
| Tax effect of:   |            |           |
| Rebateable fully franked dividends   | 539        | 134       |
| Other allowable items  | 19,993     | 18,508    |
| Other tax benefits   | 13,115     | 57,501    |
| Over provision for income tax in prior year  | -          | -         |
| Income tax benefit on restatement of deferred tax liabilities due to change in the Company's tax rate from 27.5% to 25% on 1 July 2021 | 422,167    | -         |
|  | 2,857,655  | 1,218,946 |
| Net tax for discontinued operations  | -          | 51,942    |
|  | 2,857,655  | 1,270,888 |

# F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

## APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

### NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

#### NOTE 5: DISCONTINUED OPERATIONS

|   | Consolidated Group |             |
|---|--------------------|-------------|
|   | 2021               | 2020        |
|   | \$                 | \$          |
| On 2 September 2019, the Consolidated Group announced its decision to dispose of Tradition Smallgoods, thereby discontinuing its operations in the smallgoods business segment.   |                    |             |
| The business was sold on 20 September 2019.   |                    |             |
| Financial information relating to the discontinued operation is set out below.  |                    |             |
| The financial performance of the discontinued operation is shown below and included in the consolidated statement of profit or loss and other comprehensive income as profit/(loss) from discontinued operations after tax. |                    |             |
| Revenue   | -                  | 1,739,731   |
| Gain on sale of non-current assets  | -                  | 268,930     |
| Expenses  | -                  | (1,819,613) |
| Profit before income tax  | -                  | 189,048     |
| Profit attributable to owners of the Parent Entity  | -                  | 189,048     |
| Profit on discontinued operations before income tax   | -                  | 189,048     |
| Income tax expense  | -                  | (51,941)    |
| Profit on discontinued operations after income tax  | -                  | 137,107     |
| Total profit after tax attributable to the discontinued operation   | -                  | 137,107     |
| The net cash flows of the discontinued business which have been incorporated into the statement of cash flows are as follows:   |                    |             |
| Net cash inflow from operating activities   | -                  | 259,626     |
| Net cash inflow from investing activities   | -                  | 1,266,952   |
| Net cash inflow from financing activities   | -                  | 33,734      |
| Net increase in cash generated by the discontinued business   | -                  | 1,560,312   |
| Gain on disposal of the business included in gain from discontinued operations per the statement of profit or loss and other comprehensive income.  | -                  | 137,107     |

**F.F.I. HOLDINGS LIMITED**

(ABN 32 009 155 328)

**APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021****NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

|  | 2021<br>\$       | 2020<br>\$       |
|--|------------------|------------------|
| <b>NOTE 6: EARNINGS PER SHARE</b>  |                  |                  |
| Basic earnings per share (cents per share)   | 81.0             | 33.2             |
| Basic earnings per share from continuing operations (cents per share)  | 81.0             | 31.9             |
| Basic earnings per share from discontinued operations (cents per share)  | -                | 1.3              |
| (a) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS                               | 10,772,970       | 10,760,367       |
| (b) Classification of securities   |                  |                  |
| Diluted earnings per share is calculated after classifying all options on issue (if any) at balance date as potential ordinary shares. |                  |                  |
| There were no options outstanding as at 30 June 2021   |                  |                  |
| <b>NOTE 7: DIVIDENDS</b>   |                  |                  |
| Final fully franked ordinary dividend of 13.0 cents per share franked at the rate of 26% (2020: 27.5%) paid on 25 September 2020       | 1,398,848        | 1,291,244        |
| Interim fully franked ordinary dividend of 12.0 cents per share franked at the rate of 26% (2020: 27.5%) paid on 26 March 2021         | 1,293,643        | 1,183,641        |
|  | <u>2,692,491</u> | <u>2,474,885</u> |
| Proposed final fully franked ordinary dividend of 14.0 cents per share franked at 25% (2020: 26%) payable on 24 September 2021         | 1,509,251        | 1,398,848        |
| <b>NOTE 8: RECEIVABLES</b>   |                  |                  |
| <b>CURRENT</b>   |                  |                  |
| Trade receivables  | 5,050,283        | 5,492,284        |
| Provision for impairment of receivables  | -                | -                |
|  | <u>5,050,283</u> | <u>5,492,284</u> |
| <b>NON-CURRENT</b>   |                  |                  |
| F.F.I. Holdings Ltd – Employee Share Plan  | 222,204          | 249,495          |
|  | <u>222,204</u>   | <u>249,495</u>   |
| <b>NOTE 9: INVENTORIES</b>   |                  |                  |
| <b>CURRENT</b>   |                  |                  |
| Raw materials and stores   | 4,898,977        | 4,936,669        |
| Finished goods   | 2,380,427        | 1,800,982        |
|  | <u>7,279,404</u> | <u>6,737,651</u> |

For personal use only

## F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

### APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

#### NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021        | 2020        |
|---|-------------|-------------|
|   | \$          | \$          |
| <b>NOTE 10: OTHER ASSETS</b>                  |             |             |
| CURRENT                                       |             |             |
| Prepayments                                   | 458,298     | 299,778     |
|   | 458,298     | 299,778     |
| <b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT</b> |             |             |
| LAND AND BUILDINGS                            |             |             |
| Freehold land at fair value                   | 5,212,500   | 5,212,500   |
| TOTAL LAND                                    | 5,212,500   | 5,212,500   |
| BUILDINGS                                     |             |             |
| Fair value                                    | 2,526,017   | 1,998,385   |
| Accumulated depreciation                      | (930,561)   | (882,511)   |
| TOTAL BUILDINGS                               | 1,595,456   | 1,115,874   |
| TOTAL LAND AND BUILDINGS                      | 6,807,956   | 6,328,374   |
| PLANT AND EQUIPMENT                           |             |             |
| At cost                                       | 16,473,520  | 14,731,696  |
| Accumulated depreciation                      | (8,447,887) | (7,696,997) |
| TOTAL PLANT AND EQUIPMENT                     | 8,025,633   | 7,034,699   |
| TOTAL PROPERTY PLANT AND EQUIPMENT            | 14,833,589  | 13,363,073  |

The value of the Group's freehold land was reviewed at 30 June 2021 by the Directors. The value adopted as at 30 June 2021 is based on an assessment by Directors of the property's current active open market value.

#### Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year

|                                      | Freehold<br>Land | Buildings | Plant and<br>Equipment | Total      |
|--------------------------------------|------------------|-----------|------------------------|------------|
|                                      | \$               | \$        | \$                     | \$         |
| Balance at the beginning of the year | 5,212,500        | 1,115,874 | 7,034,699              | 13,363,073 |
| Additions                            | -                | 527,634   | 1,741,824              | 2,269,458  |
| Revaluation                          | -                | -         | -                      | -          |
| Disposals                            | -                | -         | -                      | -          |
| Depreciation expense                 | -                | (48,052)  | (750,890)              | (798,942)  |
| Carrying amount at the end of year   | 5,212,500        | 1,595,456 | 8,025,633              | 14,833,589 |

**F.F.I. HOLDINGS LIMITED**

(ABN 32 009 155 328)

**APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021****NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

| <b>NOTE 12: INVESTMENT PROPERTY</b> | <b>2021</b>       | <b>2020</b>       |
|-------------------------------------|-------------------|-------------------|
|                                     | <b>\$</b>         | <b>\$</b>         |
| Balance at beginning of year        | 20,478,906        | 22,955,817        |
| Land sold – MRWA land taking        | -                 | (139,613)         |
| MRWA advance                        | -                 | (2,674,003)       |
| Property acquired                   | -                 | -                 |
| Fair value adjustments              | -                 | 328,611           |
| Property development costs          | -                 | 8,094             |
| Provision for depreciation          | -                 | -                 |
| Balance at end of year              | <u>20,478,906</u> | <u>20,478,906</u> |

The value of the Group's investment property was reviewed at 30 June 2021 by the Directors. The value adopted as at 30 June 2021 is based on a valuation performed as at 30 June 2018 by a licensed independent valuer as well as consideration of other current relevant factors.

**NOTE 13: FINANCIAL ASSETS**

Financial assets comprise:

|   |               |               |
|---|---------------|---------------|
| Shares in unlisted corporations at cost | <u>71,536</u> | <u>71,536</u> |
|   | <u>71,536</u> | <u>71,536</u> |

**NOTE 14: INTANGIBLE ASSETS**

|                         |                |                |
|-------------------------|----------------|----------------|
| Trademarks and goodwill | <u>552,762</u> | <u>552,762</u> |
|                         | <u>552,762</u> | <u>552,762</u> |

**NOTE 15: DEFERRED TAX ASSETS**

The future income tax benefit is made up of the following estimated tax benefits:

|                    |                |                |
|--------------------|----------------|----------------|
| Timing differences | <u>318,236</u> | <u>340,509</u> |
|                    | <u>318,236</u> | <u>340,509</u> |

**NOTE 16: TRADE AND OTHER PAYABLES****CURRENT**

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Unsecured liabilities | <u>2,820,441</u> | <u>4,182,610</u> |
|                       | <u>2,820,441</u> | <u>4,182,610</u> |

**NON-CURRENT**

|                                |               |               |
|--------------------------------|---------------|---------------|
| Security bond – lease property | <u>38,564</u> | <u>41,564</u> |
|                                | <u>38,564</u> | <u>41,564</u> |

For personal use only



**F.F.I. HOLDINGS LIMITED**

(ABN 32 009 155 328)

**APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021****NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

|  | 2021       | 2020       |
|--|------------|------------|
|  | \$         | \$         |
| <b>NOTE 17: ADVANCE RECEIVED</b>   |            |            |
| Advanced monies received from MRWA for compensation  | -          | 1,467,029  |
| During the year the Company received \$5,441,000 from Main Roads Western Australia (MRWA), this being an advanced payment for the land taking, to be offset against the final entitlement to compensation. |            |            |
| Balance is comprised of:   |            |            |
| Total advance received from MRWA   | -          | 5,441,000  |
| Less transfers to assets subject to advance:   |            |            |
| - Investment property  | -          | 2,674,003  |
| - Own use property   | -          | 440,468    |
| - Plant and equipment  | -          | 799,906    |
| - Recoverable Costs  | -          | 59,594     |
|  | -          | 3,973,971  |
|  | -          | 1,467,029  |
| <b>NOTE 18: COMPENSATION MONIES RECEIVED</b>   |            |            |
| The Company received a total amount of \$9,946,000 from Main Roads Western Australia (MRWA), this being compensation monies for full and final settlement for land taken. Monies were received as follows: |            |            |
| Advance received from MRWA   | -          | 5,441,000  |
| Second and final payment received from MRWA  | 4,505,000  | -          |
| <b>NOTE 19: TAX LIABILITIES</b>  |            |            |
| <b>CURRENT</b>   |            |            |
| Income tax   | 471,003    | 290,008    |
| <b>NON-CURRENT</b>   |            |            |
| Deferred tax liabilities   | 6,613,197  | 5,403,152  |
| <b>NOTE 20: SHORT TERM PROVISIONS</b>  |            |            |
| <b>CURRENT</b>   |            |            |
| Employee benefits  | 919,948    | 779,369    |
| <b>NOTE 21: CONTRIBUTED EQUITY</b>   |            |            |
| 10,780,367 (2020: 10,760,367) fully paid ordinary shares   | 19,939,268 | 19,829,268 |
| <b>NOTE 22: RESERVES</b>   |            |            |
| Asset Revaluation Reserve  |            |            |
| Opening balance  | 4,252,623  | 3,773,592  |
| Movements during the year  | 120,285    | 479,031    |
| Closing balance  | 4,372,908  | 4,252,623  |

For personal use only

**F.F.I. HOLDINGS LIMITED**

(ABN 32 009 155 328)

**APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021****NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

| <b>NOTE 23: RETAINED EARNINGS</b>                        | <b>2021</b>       | <b>2020</b>       |
|--|-------------------|-------------------|
|  | <b>\$</b>         | <b>\$</b>         |
| Retained earnings at the beginning of the financial year | 13,522,540        | 12,422,140        |
| Net profit attributable to members of the parent entity  | 8,723,290         | 3,575,285         |
| Dividends provided for or paid                           | (2,692,491)       | (2,474,885)       |
| Retained earnings at the end of the financial year       | <u>19,553,339</u> | <u>13,522,540</u> |

**NOTE 24: CASH FLOW INFORMATION**

Reconciliation of cash flow from operations with operating profit from ordinary activities after income tax

|   |                  |                  |
|---|------------------|------------------|
| Profit from ordinary activities after income tax  | 8,723,290        | 3,575,285        |
| Less compensation income for land taken - MRWA  | (6,099,850)      | -                |
| Non-cash flows in profit from ordinary activities   |                  |                  |
| Depreciation  | 798,942          | 753,199          |
| (Profit)/Loss on sale of property, plant and equipment  | -                | (268,930)        |
| Increase to asset revaluation reserve due to income tax change in the Company's tax rate from 27.5% to 25% on 1 July 2021 | 120,285          | -                |
| (Profit)/Loss on sale of investment land  | (528,977)        | (30,386)         |
| (Profit)/Loss on sale of own use land   | (202,702)        | -                |
| Non-cash shares issued  | 97,499           | -                |
| Revaluation of investment land  | -                | (328,611)        |
| Non-cash legal costs  | 59,594           | -                |
| Decrease/(Increase) in trade and other receivables  | 442,001          | 32,490           |
| Decrease/(Increase) in prepayments  | (158,520)        | (37,968)         |
| Decrease/(Increase) in inventories  | (541,753)        | (2,135,719)      |
| Increase/(Decrease) in creditors and accruals   | (1,362,169)      | 1,058,400        |
| Decrease/(Increase) in deferred tax asset   | 22,273           | 30,350           |
| Increase/(Decrease) in provisions   | 140,579          | (366,709)        |
| Increase/(Decrease) in income tax payable   | 180,995          | 3,595            |
| Increase/(Decrease) in deferred tax payable   | 1,210,045        | 18,611           |
|   | <u>2,901,532</u> | <u>2,303,607</u> |

**NOTE 25: CASH AND CASH EQUIVALENTS**

|                          |                  |                  |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | <u>5,463,450</u> | <u>2,182,169</u> |
|--------------------------|------------------|------------------|

**NOTE 26: AUDIT STATUS**

This report is based on accounts which are in the process of being audited.

At the date of this report, the Directors are not aware of any matter that will result in a qualification of the audit report.

For personal use only

**F.F.I. HOLDINGS LIMITED**

(ABN 32 009 155 328)

**APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021****NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021****NOTE 27: FINANCIAL REPORTING BY SEGMENTS**

| (i) Continuing operations:                       | <b>Bakery<br/>Segment</b> | <b>Investment<br/>Property</b> | <b>Total</b>      |
|--|---------------------------|--------------------------------|-------------------|
|  | \$                        | \$                             | \$                |
| <b>2021</b>                                      |                           |                                |                   |
| <b>Revenue</b>                                   |                           |                                |                   |
| Sales revenue                                    | 35,510,415                | -                              | 35,510,415        |
| Rental revenue                                   | -                         | 1,189,879                      | 1,189,879         |
| Unallocated revenue                              |                           |                                | 597,043           |
| <b>Total segment revenue</b>                     |                           |                                | <u>37,297,337</u> |
| Other Income – Unallocated (refer Note 2)        | -                         | -                              | <u>6,831,529</u>  |
| <b>Result</b>                                    |                           |                                |                   |
| Segment net profit before tax                    | 4,332,517                 | 1,189,879                      | 5,522,396         |
| Unallocated items                                |                           |                                | 6,058,549         |
| Net profit before tax from continuing operations |                           |                                | <u>11,580,945</u> |
| <b>Assets</b>                                    |                           |                                |                   |
| Segment assets                                   | 21,076,355                | 20,478,906                     | 41,555,261        |
| Unallocated assets                               |                           |                                | 13,173,407        |
| Total group assets for continuing operations     |                           |                                | <u>54,728,668</u> |
| <b>Liabilities</b>                               |                           |                                |                   |
| Segment liabilities                              | 19,985,442                | 3,666,631                      | 23,652,073        |
| Inter-segment eliminations                       |                           |                                | (12,788,920)      |
| Total group liabilities                          |                           |                                | <u>10,863,153</u> |

## F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

### APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

#### NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

##### NOTE 27: FINANCIAL REPORTING BY SEGMENTS (continued)

| Continuing operations (continued):                | <b>Bakery<br/>Segment</b> | <b>Investment<br/>Property</b> | <b>Total</b>      |
|---|---------------------------|--------------------------------|-------------------|
|   | \$                        | \$                             | \$                |
| <b>2020</b>                                       |                           |                                |                   |
| <b>Revenue</b>                                    |                           |                                |                   |
| Sales revenue                                     | 33,901,001                | -                              | 33,901,001        |
| Rental revenue                                    | -                         | 1,129,778                      | 1,129,778         |
| Unallocated revenue                               |                           |                                | 358,655           |
| <b>Total segment revenue</b>                      |                           |                                | <u>35,389,434</u> |
| Other Income                                      | -                         | 358,997                        | <u>358,997</u>    |
| <b>Result</b>                                     |                           |                                |                   |
| Segment net profit before tax                     | 4,138,135                 | 1,382,096                      | 5,520,231         |
| Unallocated items                                 |                           |                                | (863,107)         |
| Net profit before tax from continuing operations  |                           |                                | <u>4,657,124</u>  |
| <b>Assets</b>                                     |                           |                                |                   |
| Segment assets                                    | 20,309,435                | 20,478,906                     | 40,788,341        |
| Unallocated assets                                |                           |                                | 8,979,822         |
| Total group assets for continuing operations      |                           |                                | <u>49,768,163</u> |
| <b>Liabilities</b>                                |                           |                                |                   |
| Segment liabilities                               | 19,133,548                | 4,032,438                      | 23,165,986        |
| Inter-segment eliminations                        |                           |                                | (11,002,253)      |
| Total group liabilities for continuing operations |                           |                                | <u>12,163,733</u> |

## F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

### APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

#### NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

##### NOTE 27: FINANCIAL REPORTING BY SEGMENTS (continued)

|  | Smallgoods<br>Segment | Total            |
|--|-----------------------|------------------|
|  | \$                    | \$               |
| <b>2020</b>  |                       |                  |
| <b>Revenue</b>                                     |                       |                  |
| Sales revenue                                      | 1,685,626             | 1,685,626        |
| Unallocated revenue                                |                       | 54,105           |
| <b>Total segment revenue</b>                       |                       | <u>1,739,731</u> |
| Other income                                       | 268,930               | <u>268,930</u>   |
| <b>Result</b>                                      |                       |                  |
| Segment net profit before tax                      | 189,048               | 189,048          |
| Net profit before tax from discontinued operations |                       | <u>189,048</u>   |
| <b>Assets</b>                                      |                       |                  |
| Segment assets                                     | -                     | -                |
| Segment assets for discontinued operations         |                       | <u>-</u>         |
| <b>Liabilities</b>                                 |                       |                  |
| Segment liabilities                                | -                     | -                |
| Segment liabilities for discontinued operations    |                       | <u>-</u>         |

(iii) Note: Transactions related to the land taken by MRWA have been excluded from segment reporting as they are considered to reflect an impact on the entirety of the business and not any specific operating segment.

##### NOTE 28: INTEREST IN SUBSIDIARIES

The Group's subsidiaries at 30 June 2021 are set out below. The subsidiaries have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's country of incorporation or registration is also its principal place of business.

| Name of Subsidiary                      | Principal Place of Business | Ownership<br>Interest held by the Group |           |
|---|-----------------------------|---|-----------|
|   |                             | 2021<br>%                               | 2020<br>% |
| Fresh Food Industries Pty Ltd           | Perth, Western Australia    | 100                                     | 100       |
| Chocolate Products of Australia Pty Ltd | Perth, Western Australia    | 100                                     | 100       |
| Prepact Australia Pty Ltd               | Perth, Western Australia    | 100                                     | 100       |
| Danburn Holdings Pty Ltd                | Perth, Western Australia    | 100                                     | 100       |

Subsidiaries' financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same date as the Group's financial statements.

For personal use only

**F.F.I. HOLDINGS LIMITED**

(ABN 32 009 155 328)

**APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

**NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 29: FAIR VALUE MEASUREMENT**

- (a) **Recurring and Non-recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements are Categorised**

|  |         | Fair Value Measurements at 30 June 2021 using: |              |              |
|--|---------|--|--------------|--------------|
| Description  | Note    | Quoted   | Significant  | Significant  |
|  |         | Prices in                                      | Observable   | Unobservable |
|  |         | Active   | Inputs Other | Inputs       |
|  |         | Markets for                                    | than Level 1 |              |
|  |         | Identical                                      | Inputs       |              |
|  |         | Assets   |              |              |
|  |         | \$   | \$           | \$           |
|  |         | (Level 1)                                      | (Level 2)    | (Level 3)    |
| <b>Recurring fair value measurements</b>             |         |  |              |              |
| Investments in shares of unlisted corporations       |         | -  | 71,536       | -            |
| Investments in shares of listed corporations         |         | -  | -            | -            |
| Investment property                                  | (b)(i)  | -  | 20,478,906   | -            |
| Property, plant and equipment (at revalued amounts): |         |  |              |              |
| Freehold land  | (b)(ii) | -  | 5,212,500    | -            |
| Buildings  |         | -  | 1,595,456    | -            |
| <b>Non-recurring fair value measurements</b>         |         | -  | -            | -            |
|  |         | Fair Value Measurements at 30 June 2020 using: |              |              |
| Description  | Note    | Quoted   | Significant  | Significant  |
|  |         | Prices in                                      | Observable   | Unobservable |
|  |         | Active   | Inputs Other | Inputs       |
|  |         | Markets for                                    | than Level 1 |              |
|  |         | Identical                                      | Inputs       |              |
|  |         | Assets   |              |              |
|  |         | \$   | \$           | \$           |
|  |         | (Level 1)                                      | (Level 2)    | (Level 3)    |

## F.F.I. HOLDINGS LIMITED

(ABN 32 009 155 328)

### APPENDIX 4E AND PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

#### NOTES TO THE PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

##### (b) Valuation Techniques and Inputs Used to Determine Level 2 Fair Values

- (i) The value of the Group's investment property was reviewed at 30 June 2021 by the Directors. The value adopted as at 30 June 2021 is based on a valuation performed as at 30 June 2018 by a licensed independent valuer as well as consideration of other current relevant factors.
- (ii) The value of the Group's freehold land was reviewed at 30 June 2021 by the Directors. The value adopted as at 30 June 2021 is based on an assessment by Directors of the property's current active open market value.

There were no changes during the reporting period in the valuation techniques used by the Group to determine Level 1, Level 2 and Level 3 fair values.

There were no transfers between Level 1, Level 2 and Level 3 during the reporting period.

For personal use only