

# CTI Logistics Limited

ABN 69 008 778 925

## Appendix 4D Half-year Report

Half-year ended 31 December 2021

### For announcement to the market

*Extracts from this report for announcement to the market*

\$A'000

Revenue	Up	12.6%	to	\$133,540
Profit from ordinary activities after tax attributable to members	Up	12.5%	to	\$5,853
Net profit for the period attributable to members	Up	12.5%	to	\$5,853
<b>Dividends</b>		Amount per security		Franked amount per security
Final dividend	Year ended 30 June 2021	2.0 cents		2.0 cents
	Previous corresponding period	Nil cents		Nil cents
Interim dividend	Current period	2.5 cents		2.5 cents
	Previous corresponding period	2.0 cents		2.0 cents
†Record date for determining entitlements to the dividend			9 March 2022	

**NTA backing**

	31 December 2021	30 June 2021
Net tangible asset backing per ordinary security	83.12 cents	76.22 cents

**Dividend**

Details of dividends declared or paid during or subsequent to the period ended 31 December 2021 are as follows:

	Payment date	Amount per security	Total dividend	Franked amount per security
Final dividend – year ended 30 June 2021 (fully franked at 30%)	12 November 2021	2.0 cents	\$1,503,833	2.0 cents
Interim dividend – Current period (fully franked at 30%)	8 April 2022	2.5 cents	\$1,883,778	2.5 cents

A Dividend Re-investment Plan and Bonus Share Plan are currently in operation.

**Controlled entities acquired or disposed of**

There were no acquisitions or disposals of controlled entities during the current period.

For personal use only

# CTI Logistics Limited

ABN 69 008 778 925

## Half-year Report - 31 December 2021

Lodged with the ASX under Listing Rule 4.2A

For personal use only

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by CTI Logistics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

# Directors' Report

Your directors present their report on the Group consisting of CTI Logistics Limited ("the Company") and the entities it controlled during the half-year ended 31 December 2021 and the independent auditor's review report thereon.

## Directors

Directors of the Company in office during the whole of the half-year and up to the date of this report are (unless otherwise indicated):

David Robert Watson (Chairman)  
 Peter James Leonhardt  
 David Anderson Mellor  
 Bruce Edmond Saxild  
 Owen Roy Venter (appointed 2 September 2021)  
 Matthew David Watson (appointed 2 September 2021)  
 William Edward Moncrieff (appointed 2 September 2021)

## Principal activities of the group

The principal activities of the Group during the half-year were the provision of logistics and transport services, rental of property, specialised flooring logistics and provision of security services.

## Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year were:

	Cents per share	Total amount	Franked	Date of payment
<b>Declared and paid during the half-year</b>				
Final 2021 - ordinary	2.0	\$1,503,758	Franked	12 November 2021
<b>Declared after end of half-year</b>				
Interim 2022 - ordinary	2.5	\$1,883,778	Franked	8 April 2022

After the half-year end the directors have declared a fully franked interim dividend of 2.5 cents per ordinary share.

The financial effect of this post half-year dividend has not been brought to account in the financial statements for the half-year ended 31 December 2021 and will be recognised in subsequent financial reports.

## Review of operations and results

The Group is a transport and logistics provider based in Western Australia. Transport operations cover couriers and taxi trucks, B2B and B2C parcel distribution, container handling, fleet management, WA regional road freight and interstate freight. Logistics includes 3PL, 4PL, supply chain and DC warehousing, E-commerce fulfilment, temperature-controlled warehousing, specialised flooring logistics, minerals and energy supply base services, quarantine and preservation wrapping and fumigation, document storage, media destruction and recycling. The Group also has a security business providing installation, maintenance and monitoring of alarms, CCTV visual verification and lone worker protection.

Profit before tax for the half year was \$8,305,178 (2020 - \$6,844,565) being an improvement of 21% on the previous corresponding period. The result from operating activities excluding depreciation and amortisation expense in the Statement of Profit and Loss and Other Comprehensive Income ("EBITDA") for the half year was \$21,837,787, up 11% on the previous period. Revenue from operations was up 12% to \$133,540,001.

The results for the period were affected by several factors including:

- stronger than expected revenue growth in both transport and logistics across Australia,

## CTI LOGISTICS LIMITED

### Half-year report

31 December 2021

---

- a continued focus on quality revenue and increased customer COVID-related activity,
- improvement in flooring industry transport and warehouse volumes, coupled with ongoing productivity improvements,
- significant volume increases in both the interstate and regional freight networks,
- WA courier and parcel businesses positively impacted by focus on quality revenue and delivery profiles. However, they continue to be impacted negatively by ongoing driver shortages,
- supply chain disruptions negatively impacted on warehouse margins with customers holding lower stock levels due to shipping delays,
- continued focus on receivables, cost reduction and productivity initiatives resulting in overall improved margins.

The Company generated strong cash flows during the period and, while maintaining significant cash liquidity, has directed cash flows to investment in property, plant and equipment and long term debt reduction of \$2,000,000. The Company's net assets increased by 5.1% compared with the prior corresponding period, from \$88,431,317 to \$92,942,347, which is largely attributable to the current period's profit after tax.

As a consequence of the strong operating results, the directors have decided to declare an interim dividend of 2.5 cents per share fully franked, payable on 8 April 2022.

#### Changes in the state of affairs

No other significant changes in the state of affairs of the Group have occurred.

#### Subsequent events

The directors are not aware of any other matters or circumstances not otherwise dealt with in this half-year report that have significantly or may significantly affect the operations of the Group, the results of those operations, or the affairs of the Group in subsequent financial years.

#### Likely developments

The major objectives encompassed in the Business Plan of the Group are:

- (i) expansion of existing operations by targeted marketing and by acquisition;
- (ii) establishment or acquisition of businesses in fields related to or compatible with the Group's existing core operations; and
- (iii) to maximise the profits and returns to shareholders by constant review of existing operations.

#### Lead Auditor's independence declaration

The lead auditor's independence declaration is set out on page 3 and forms part of the directors' report for the half-year ended 31 December 2021.

This report is made in accordance with a resolution of the directors.



DAVID WATSON  
Executive Chairman

Perth, WA  
24 February 2022



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

To the Directors of CTI Logistics Limited

I declare that, to the best of my knowledge and belief, in relation to the review of CTI Logistics Limited for the half-year ended 31 December 2021 there have been:

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

KPMG

KPMG

Jane Bailey

Jane Bailey

Partner

Perth

24 February 2022

For personal use only

For personal use only

<b>Contents</b>	<b>Page</b>
Condensed consolidated statement of profit or loss and other comprehensive income	5
Condensed consolidated statement of financial position	6
Condensed consolidated statement of changes in equity	7
Condensed consolidated statement of cash flows	8
Notes to the condensed consolidated financial statements	9-13
Directors' declaration	14
Independent auditor's review report on the condensed consolidated financial Report	15-16

## Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2021

	2021 \$	2020 \$
<b>Revenue</b>	133,540,001	118,618,178
Other income	711,329	1,885,947
Raw materials and consumables used	(488,838)	(396,746)
Employee benefits expense	(40,663,714)	(37,424,133)
Subcontractor expense	(44,534,666)	(39,958,419)
Depreciation and amortisation expense	(11,727,327)	(10,824,123)
Motor vehicle and transportation costs	(16,668,644)	(13,678,870)
Property costs	(1,997,184)	(1,481,242)
Other expenses	(8,060,497)	(7,815,196)
<b>Results from operating activities</b>	<u>10,110,460</u>	<u>8,925,396</u>
Finance income	10,535	3,323
Finance expense	(1,815,817)	(2,084,154)
Net finance costs	<u>(1,805,282)</u>	<u>(2,080,831)</u>
<b>Profit before income tax</b>	8,305,178	6,844,565
Income tax expense	<u>(2,452,314)</u>	<u>(1,642,507)</u>
<b>Profit for the half-year</b>	<u>5,852,864</u>	<u>5,202,058</u>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Equity investments at FVOCI – net change in fair value	<u>4,066</u>	<u>(1,425)</u>
<b>Total comprehensive income for the half-year</b>	<u>5,856,930</u>	<u>5,200,633</u>
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company</b>		
Basic earnings per share	7.78	6.93
Diluted earnings per share	7.78	6.93

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



## Condensed consolidated statement of financial position as at 31 December 2021

	31 December 2021 \$	30 June 2021 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	5,947,265	6,493,618
Trade and other receivables	36,633,464	33,073,591
Inventories	266,673	297,958
<b>Total current assets</b>	<u>42,847,402</u>	<u>39,865,167</u>
<b>Non-current assets</b>		
Other investments	58,645	52,836
Property, plant and equipment	88,468,569	88,101,780
Right-of-use assets	40,896,319	45,350,001
Investment properties	2,207,021	2,207,021
Deferred tax assets	2,647,157	3,170,678
Intangible assets	30,313,947	31,118,628
<b>Total non-current assets</b>	<u>164,591,658</u>	<u>170,000,944</u>
<b>Total assets</b>	<u>207,439,060</u>	<u>209,866,111</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	18,594,480	18,650,995
Lease liabilities	17,230,575	17,404,357
Current tax liabilities	1,449,947	1,407,694
Employee benefits provision	8,065,512	6,914,405
<b>Total current liabilities</b>	<u>45,340,514</u>	<u>44,377,451</u>
<b>Non-current liabilities</b>		
Lease liabilities	37,063,773	42,505,951
Loans and borrowings	29,905,000	31,905,000
Employee benefits provision	2,187,426	2,646,392
<b>Total non-current liabilities</b>	<u>69,156,199</u>	<u>77,057,343</u>
<b>Total liabilities</b>	<u>114,496,713</u>	<u>121,434,794</u>
<b>Net assets</b>	<u><u>92,942,347</u></u>	<u><u>88,431,317</u></u>
<b>EQUITY</b>		
Contributed equity	27,548,780	27,390,922
Reserves	1,936,628	1,932,562
Retained profits	63,456,939	59,107,833
<b>Total equity</b>	<u><u>92,942,347</u></u>	<u><u>88,431,317</u></u>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Condensed consolidated statement of changes in equity  
 for the half-year ended 31 December 2021**

Consolidated	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	27,248,025	1,926,478	52,439,682	81,614,185
Total comprehensive income for the half-year	-	(1,425)	5,202,058	5,200,633
Balance at 31 December 2020	27,248,025	1,925,053	57,641,740	86,814,818
Balance at 1 July 2021	27,390,922	1,932,562	59,107,833	88,431,317
Total comprehensive income for the half-year	-	4,066	5,852,864	5,856,930
Transactions with equity holders in their capacity as equity holders:				
Dividends provided for or paid	157,858	-	(1,503,758)	(1,345,900)
Balance at 31 December 2021	27,548,780	1,936,628	63,456,939	92,942,347

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Condensed consolidated statement of cash flows  
for the half-year ended 31 December 2021**

	2021 \$	2020 \$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	143,240,928	129,849,361
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(124,514,361)</u>	<u>(111,944,598)</u>
	18,726,567	17,904,763
Interest received	10,535	3,323
Dividends received	1,104	1,108
Interest paid	(1,648,846)	(1,958,410)
Income taxes paid (net of income tax refunded)	<u>(2,115,298)</u>	<u>(311,165)</u>
<b>Net cash inflow from operating activities</b>	<u>14,974,062</u>	<u>15,639,619</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment and intangibles	(3,945,434)	(2,078,613)
Proceeds from sale of property, plant and equipment	<u>625,560</u>	<u>660,538</u>
<b>Net cash outflow from investing activities</b>	<u>(3,319,874)</u>	<u>(1,418,075)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	4,000,000
Repayment of borrowings	(2,000,000)	(11,770,000)
Repayment of lease liabilities	(8,854,641)	(7,736,856)
Dividend paid to Company's shareholders net of Dividend reinvestment/Bonus share plan shares issued	<u>(1,345,900)</u>	<u>-</u>
<b>Net cash outflow from financing activities</b>	<u>(12,200,541)</u>	<u>(15,506,856)</u>
<b>Net decrease in cash and cash equivalents</b>	(546,353)	(1,285,312)
<b>Cash and cash equivalents at the beginning of the half-year</b>	<u>6,493,618</u>	<u>7,611,064</u>
<b>Cash and cash equivalents at the end of the half-year</b>	<u><u>5,947,265</u></u>	<u><u>6,325,752</u></u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## **1. BASIS OF PREPARATION OF HALF-YEAR REPORT**

This general purpose financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. CTI Logistics Limited and its subsidiaries (together referred to as the "Group") is a for-profit entity.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by CTI Logistics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### **Estimates**

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

As the COVID-19 pandemic continues to impact Australia and the world, the Group's focus remains on keeping its people well, and maintaining safe and reliable operations. The Group has considered the impact of COVID-19 on each of its significant accounting judgements and estimates, particularly with respect to assumptions used in determining expected credit losses on receivables, impairment of non-current assets and going concern. At this stage no further significant estimates have been identified as a result of COVID-19, however management is continuing to monitor the ongoing increased level of uncertainty in all future cash flow forecasts used in asset valuation and financial viability.

## **2. SEGMENT INFORMATION**

### **(a) Description of segments**

Management has determined the operating segments based on the reports reviewed by the Group's Executive Chairman.

The Group's Executive Chairman considers the business from a product and services perspective and has identified three reportable segments: transport, logistics and property.

The reportable segments include the following operations:

- Transport services - includes the provision of courier, taxi truck, parcel distribution, fleet management and line haul freight.
- Logistics – includes the provision of warehousing and distribution, specialised flooring logistics, supply based management services and document storage services.
- Property - rental of owner-occupied and investment property.

"Other" segments include the provision of security services and the corporate head office. None of these segments meets any of the quantitative thresholds for determining reportable segments.

The Group's Executive Chairman assesses the performance of the operating segments based on segment profit before income tax.

**CTI LOGISTICS LIMITED**  
**Notes to the condensed consolidated financial statements**  
**31 December 2021**

**2. SEGMENT INFORMATION (continued)**

**(b) Information about reportable segments**

The segment information provided to the Group's Executive Chairman for the reportable segments for the half-year ended 31 December 2021 is as follows:

	<b>Transport</b>	<b>Logistics</b>	<b>Property</b>	<b>Other</b>	<b>Reconciling/ unallocated</b>	<b>Total</b>
<b>Half-year 2021</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
External revenues	80,759,575	49,503,489	92,331	3,173,155	11,451	133,540,001
Intra and inter-segment revenue	11,931,025	30,741	2,017,761	322,143	(14,301,670)	-
Interest expense	257,612	1,134,831	108,300	-	169,152	1,669,895
Depreciation and amortisation	4,134,022	6,584,933	414,965	166,768	426,639	11,727,327
Total segment profit before income tax	6,216,975	2,571,852	882,123	376,464	(1,742,236)	8,305,178
<b>31 December 2021</b>						
Total segment assets	58,960,138	74,792,307	66,361,966	1,659,142	5,665,507	207,439,060
Total segment liabilities	31,213,191	50,023,005	30,008,839	1,588,070	1,663,608	114,496,713
<b>Half-year 2020</b>						
External revenues	69,918,854	45,555,296	88,441	3,029,464	26,123	118,618,178
Intra and inter-segment revenue	11,452,941	30,101	1,879,995	312,945	(13,675,982)	-
Interest expense	281,701	1,319,709	178,275	-	203,721	1,983,406
Depreciation and amortisation	3,367,001	6,644,913	410,648	229,415	172,146	10,824,123
Total segment profit before income tax	3,292,930	3,076,939	710,492	268,433	(504,229)	6,844,565
<b>30 June 2021</b>						
Total segment assets	55,894,320	77,507,703	66,019,333	1,590,892	8,853,863	209,866,111
Total segment liabilities	32,288,850	53,848,669	30,791,329	1,629,719	2,876,227	121,434,794

**CTI LOGISTICS LIMITED**  
**Notes to the condensed consolidated financial statements**  
**31 December 2021**

**3. PROPERTY, PLANT AND EQUIPMENT**

<b>Consolidated</b>	<b>Freehold land</b>	<b>Freehold buildings</b>	<b>Plant and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 1 July 2021</b>					
Cost	44,499,191	34,247,535	31,701,349	39,981,994	150,430,069
Accumulated depreciation	(6,371,500)	(7,948,341)	(24,344,014)	(23,664,434)	(62,328,289)
Net book amount	38,127,691	26,299,194	7,357,335	16,317,560	88,101,780
<b>Half-year ended 31 December 2021</b>					
Opening net book value	38,127,691	26,299,194	7,357,335	16,317,560	88,101,780
Additions	-	603,881	1,824,750	2,138,339	4,566,970
Disposals	-	-	(446)	(347,916)	(348,362)
Depreciation charge	-	(657,995)	(1,879,975)	(1,313,849)	(3,851,819)
Closing net book amount	38,127,691	26,245,080	7,301,664	16,794,134	88,468,569
<b>At 31 December 2021</b>					
Cost	44,499,191	34,822,387	33,428,687	40,172,843	152,923,108
Accumulated depreciation	(6,371,500)	(8,577,307)	(26,127,023)	(23,378,709)	(64,454,539)
Net book amount	38,127,691	26,245,080	7,301,664	16,794,134	88,468,569

**4. INTANGIBLE ASSETS**

<b>Consolidated</b>	<b>Goodwill</b>	<b>Trade names</b>	<b>Customer relationships</b>	<b>Security lines</b>	<b>Software</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 1 July 2021</b>						
Cost	26,461,029	3,726,914	9,178,756	1,625,840	2,916,177	43,908,716
Accumulated amortisation	-	(2,601,543)	(6,507,033)	(1,538,192)	(2,143,320)	(12,790,088)
Net book amount	26,461,029	1,125,371	2,671,723	87,648	772,857	31,118,628
<b>Half-year ended 31 December 2021</b>						
Opening net book amount	26,461,029	1,125,371	2,671,723	87,648	772,857	31,118,628
Additions	-	-	-	-	41,095	41,095
Amortisation charge	-	(221,569)	(402,665)	(13,522)	(208,020)	(845,776)
Closing net book amount	26,461,029	903,802	2,269,058	74,126	605,932	30,313,947
<b>At 31 December 2021</b>						
Cost	26,461,029	3,726,914	9,178,756	1,625,840	2,957,272	43,949,811
Accumulated amortisation	-	(2,823,112)	(6,909,698)	(1,551,714)	(2,351,340)	(13,635,864)
Net book amount	26,461,029	903,802	2,269,058	74,126	605,932	30,313,947

**CTI LOGISTICS LIMITED**  
**Notes to the condensed consolidated financial statements**  
**31 December 2021**

**5. RIGHT-OF-USE ASSETS**

<b>Consolidated</b>	<b>Land and buildings</b>	<b>Plant and equipment</b>	<b>Total</b>
	\$	\$	\$
<b>At 1 July 2021</b>			
Net book amount	43,935,327	1,414,674	45,350,001
<b>Half-year ended 31 December 2021</b>			
Opening net book value	43,935,327	1,414,674	45,350,001
Additions	2,576,050	-	2,576,050
Depreciation charge	(6,583,580)	(446,152)	(7,029,732)
Closing net book amount	39,927,797	968,522	40,896,319
<b>At 31 December 2021</b>			
Net book amount	39,927,797	968,522	40,896,319

**6. BORROWINGS**

At the reporting date the Group had the following bank facilities:

	<b>31 December 2021</b>	<b>30 June 2021</b>
	\$	\$
Non-current Borrowings	29,905,000	31,905,000
<b>Total Borrowings</b>	<b>29,905,000</b>	<b>31,905,000</b>
Undrawn facilities	19,001,167	16,692,070

The undrawn facilities may be drawn at any time subject to the continuance of satisfactory credit ratings and are also subject to annual review

**7. CAPITAL AND RESERVES**

**(a) EQUITY SECURITIES**

Contributed equity of \$27,548,780 represents shares on issue of 75,351,121 (30 June 2021: 75,191,669).

At 31 December 2021 there were 2,685,000 (30 June 2021 – 2,685,000) contingently issuable shares relating to shares issued under the Company's Employee Share Plan.

**(b) DIVIDENDS**

**Dividends not recognised at the end of the reporting period**

After the half-year end the directors have declared an interim dividend of 2.5 cents per fully paid ordinary share, (2020 – 2.0 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend to be paid on 8 April 2022 out of retained profits at 31 December 2021, but not recognised as a liability at period end, is \$1,883,778 (2020 - \$1,500,548).

7. CAPITAL AND RESERVES (continued)

(c) EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 31 December 2021 are as follows:

	2021	2020
(i) Basic earnings per share	7.78 cents	6.93 cents
Profit attributable to ordinary shareholders	\$5,852,864	\$5,202,058
Weighted average number of shares	75,234,998	75,027,420
(ii) Diluted earnings per share	7.78 cents	6.93 cents
Profit attributable to ordinary shareholders (diluted)	\$5,852,864	\$5,202,058
<i>Weighted average number of shares (diluted)</i>		
Weighted average number of shares (basic)	75,234,998	75,027,420
The effect of the vesting of contingently issuable shares	29,780	-
Weighted average number of shares (diluted) at 31 December	<u>75,264,778</u>	<u>75,027,420</u>

The average market value of the Company's shares for the purposes of calculating the dilutive effect of the vesting of contingently issuable shares was based on quoted market prices for the period during which the contingently issuable shares were outstanding.

8. INCOME TAX EXPENSE

Included within income tax expense is an adjustment for prior period overprovision of \$157,057 (2020: \$516,190), which has resulted in the variation in effective tax rate.

9. SUBSEQUENT EVENTS

No events have occurred since the end of the half-year other than disclosed elsewhere in these financial statements.



## Directors' Declaration

In the opinion of the directors of CTI Logistics Limited:

- (a) the consolidated financial statements and notes that are set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance, for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



DAVID WATSON  
Executive Chairman

Perth, WA  
24 February 2022



# Independent Auditor's Review Report

To the shareholders of CTI Logistics Limited

## Report on the Half-year Financial Report

### Conclusion

We have reviewed the accompanying **Half-year Financial Report** of CTI Logistics Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of CTI Logistics Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its performance for the Half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2021;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises CTI Logistics Limited (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half year.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

### Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



## Auditor's responsibilities for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the Half-year Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

Jane Bailey

KPMG

Jane Bailey

Partner

Perth

24 February 2022

For personal use only