



**Appendix 4E (rule 4.3A) – Preliminary Final Report for the year ended 31 July 2019**

**Name of Entity:** Funtastic Limited  
**ABN:** 94 063 886 199  
**Current Financial Period Ended:** Year ended 31 July 2019  
**Previous Corresponding Reporting Period:** Year ended 31 July 2018

**Results for Announcement to the Market**

	\$ '000	Up/Down	% Movement
Revenue from ordinary activities from continuing operations	29,959	Down	(28%)
Net profit/(loss) from ordinary activities before tax from continuing operations	7,601	Down	(73%)
Net profit/(loss) from ordinary activities after tax from continuing operations	7,506	Down	(73%)
Net profit/(loss) from ordinary activities after tax from discontinued operations	90	Down	(1%)
Net profit/(loss) from ordinary activities after tax from continuing and discontinued operations (all attributable to members of Funtastic Limited)	7,596	Down	(73%)
<b>Dividend Information</b>	<b>Amount per Share (cents)</b>	<b>Franked amount per Share (cents)</b>	<b>Tax rate for Franking Credit</b>
Interim Dividend – Current reporting period	nil	nil	n/a
Final Dividend – Current reporting period	nil	nil	n/a
<b>Final Dividend Dates</b>			
Ex-dividend date		Not applicable	
Record date		Not applicable	
Payment date		Not applicable	
Details of any dividend reinvestment plan (DRP) in operation		Not applicable	
The last date for receipt of an election notice for participation in any dividend reinvestment plan		Not applicable	
<b>Net Tangible Liabilities</b>		<b>Jul-2019</b>	<b>Jul-2018</b>
<b>Net tangible assets per security</b>		(0.23) cents	(13.07) cents
<b>Other information</b>	This report is based on the consolidated financial statements which are in the process of being audited by Grant Thornton Audit Pty Ltd.		
Further details regarding the results above can be found in the attached announcement.			

For personal use only

26<sup>th</sup> September 2019

Funtastic Limited

ABN 94 063 886 199

Preliminary Final Report

### Announcement of results for the year ended 31 July 2019

Funtastic Limited (ASX: FUN) today released its preliminary results for the year ended 31 July 2019, with reported preliminary net profit after tax (NPAT) from continuing operations of \$7.5m (unaudited). This compares to the previous years' result of a net profit after tax of \$28.2m.

Funtastic's operating EBITDA is \$(3.2)m, this compares to the previous years' result of an operating EBITDA of \$2.5m.

Key Financials AUD 'm	FY19 <sup>4</sup>	FY18 <sup>3</sup>	% Change
Revenue	30.0	41.7	(28.2%)
EBITDA	8.7	31.5	(72.4%)
Profit/(Loss) before Tax	7.6	28.0	(72.9%)
Net profit/(loss) after tax	7.5	28.2	(73.4%)
Basic EPS (cents)	3.6	32.5	(88.9%)
Dividend per share (cents)	N/A	N/A	
ROE <sup>1</sup>	3.40%	13.24%	(9.8%)
Net Debt (\$m)	4.9	14.3	(75.1%)
Gearing <sup>2</sup>	(15.21)	(1.83)	1008.6%

<sup>1</sup> - NPAT/average shareholder equity;

<sup>2</sup> - Net debt/shareholder equity;

<sup>3</sup> - FY18 results include a one-off gain of \$35.0m related to debt write off

<sup>4</sup> - FY19 results include a one-off gain of \$15.7m related to debt write off

### Reconciliation of Statutory EBITDA to Operating EBITDA

	FY19	FY18
	\$'000	\$'000
<b>Statutory EBITDA of continuing operations</b>	<b>8,704</b>	<b>31,490</b>
Bank Debt Forgiveness net of costs	(15,710)	(35,003)
Impairment of intangible assets	785	1,951
Redundancy and restructuring costs	-	1,941
Adjustment of procurement right	2,281	-
Impairment of contingent assets	-	1,312
Non-recurring significant legal costs	283	596
Provision for inventory to be returned to supplier	493	225
<b>Operating EBITDA</b>	<b>(3,164)</b>	<b>2,512</b>

## The Period in Review

While these results contain some sobering outcomes for shareholders, it should be noted we start our 2019/20 financial year largely debt free following many years when the business was burdened with an unsustainable level of debt. The excellent work on the Toy Story 4 product range in the second half of this reporting year is another notable highlight and points to small steps in a much-needed positive change in direction. We have commenced the process of re-engineering and re-inventing a business which continues to be unprofitable and continues to suffer from a decline in enterprise value. The job ahead will take time and require investment and patience by stakeholders.

We have a renewed focus on what is important to families. The new direction for the business is to seek opportunities to lift value to stakeholders through such a focus. While our core business in toys is our foundation, you will see fresh initiatives and focus in complementary market segments.

Funtastic will focus on securing wanted and exclusive brands. The team has strong experience in identifying brands and products that resonate with families. In addition, we plan to utilise our significant experience in sourcing, marketing and distribution to add new products and herald a new focus and direction which moves from distribution of universally available product to ranges that have a strong brand or unique product DNA.

Relationships with retailers and distributors remain strong and secure and we value and appreciate our long-term partnerships with all key customers.

Looking forward, we still have much to do to strengthen the financial returns and structural fundamentals for the Funtastic business. It is going to take time and additional funding to return the business back to growth. However, with our new leadership team, fresh focus and our evolving new strategic direction, Funtastic with the right strategy, is positioned to make significant improvements in the years to come and I'm delighted to be part of this future.

Highlights for the year ended 31 July 2019 include;

- A refreshed Board and Management team
  - New Board developing effective new strategies with management
  - New Management focused on cost containment, process improvement and efficiency
- Success of Toy Story 4
  - The fastest growing Toy property for the year to July 2019
  - The number one property in mid-year retailer Toy catalogues
  - Strong demand anticipated to continue into Christmas
- Expansion of retail footprint into specialty channels
  - Reduced concentration in DDS
  - Growth of independent toy channels
  - Introduction of STEM ranges
  - Growth of sales via online channels
- Debt write-off
  - Debt forgiveness of \$15.7m eliminating all non-core debt

Key strategic initiatives to drive the turnaround include;

- Driving organic growth through portfolio overhaul
  - Exit unprofitable products
  - Grow confectionery and treats business through range extensions
  - Focus Razor towards the growing electric mobility market
  - Concentrate Toys to unique ranges and global licensed properties
- Introducing new products
  - Grow presence in learning and educational (STEM) Toys
  - Tap opportunities in nursery (0-3yrs) products
  - Expand into the fast-growing kids' wearable tech product sector

- Seeking to own wanted brands or popular franchises emerging growth sectors of Families with Kids
  - Learning in a fun, engaging and educational way
  - Keeping fit and staying healthy
  - Staying safe

On behalf of the Board, I would like to take the opportunity to thank our loyal shareholders who have stood steadfastly behind the company during the past financial year. We would also like to express our sincere thanks to our valued customers, business partners, suppliers, bankers and advisors for their continued support. We especially thank the management and entire staff of Funtastic for their undivided commitment, dedication and loyalty. We look forward to your continued support and contribution as we work together to improve the Company's performance and shareholder value in the coming years.

#### **Audit report**

While the accounts are in the process of being audited, the accounts are likely to contain an independent audit report that is subject to an emphasis of matter in relation to the material uncertainty related to going concern. The ability for the Group to continue as a going concern is dependent upon the following factors:

- Sustaining the improved financial results through normal trading and achieving budgeted results
- Implementation of strategic initiatives to drive profitable growth
- Securing additional funding either through debt, equity or a combination of both
- Continued support of creditors and customers through appropriate trading terms

The directors believe that the Group will be able to achieve the improved results and deliver the strategic initiatives and are satisfied that the Group will continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

#### **Bernie Brookes**

Chairman of the Board



26 September 2019

## Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended 31 July 2019

	Note	31-Jul-19 \$'000	31-Jul-18 \$'000
Revenue	4	29,959	41,748
Cost of Goods Sold		(24,971)	(26,717)
<b>Gross profit</b>		<b>4,988</b>	<b>15,031</b>
Investment Income		1	2
Warehouse and Distribution Expenses		(2,310)	(3,272)
Marketing and Selling Expenses		(599)	(1,150)
Administration Expenses		(8,302)	(12,299)
Bank Forgiveness		15,710	35,003
Profit on sale of subsidiary		-	126
Impairment of Goodwill and Intangible Assets		(785)	(1,951)
<b>Earnings before interest, taxation, amortisation and depreciation (EBITDA)</b>		<b>8,703</b>	<b>31,490</b>
Finance Costs		(703)	(1,917)
Depreciation and Amortisation Expenses		(399)	(1,571)
<b>Profit/(Loss) before income tax</b>		<b>7,601</b>	<b>28,002</b>
Income tax (expense)/benefit	5	(96)	165
<b>Profit/(Loss) for the period from continuing operations</b>		<b>7,505</b>	<b>28,167</b>
<b>Discontinued operations</b>			
Profit/(Loss) from Discontinued Operations	3	90	91
<b>Profit/(Loss) for the year</b>		<b>7,595</b>	<b>28,258</b>
<b>Other comprehensive income (net of tax)</b>			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(980)	(122)
Gain on cash flow hedges taken to equity		-	88
<b>Other comprehensive income/(loss) for the year (net of tax)</b>		<b>(980)</b>	<b>(34)</b>
<b>Total comprehensive income/(loss) for the year attributable to the members of Funtastic</b>		<b>6,615</b>	<b>28,224</b>
<b>Earnings per share</b>			
Basic earnings per share (cents per share)		3.64	32.60
Diluted earnings per share (cents per share)		3.61	31.64
<b>Earnings per share - continuing operations</b>			
Basic earnings per share (cents per share)		3.60	32.49
Diluted earnings per share (cents per share)		3.57	31.54

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

## Consolidated Statement of Financial Position as at 31 July 2019

	Note	31-Jul-19 \$'000	31-Jul-18 \$'000
<b>Current Assets</b>			
Cash	6	465	718
Receivables	7	3,460	2,956
Inventories	8	5,037	5,305
Tax Receivable		19	133
Other Assets	9	1,554	1,414
<b>Total Current Assets</b>		<b>10,535</b>	<b>10,526</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10	40	156
Other Intangibles	11	212	976
Other Assets	9	50	241
<b>Total Non-Current Assets</b>		<b>302</b>	<b>1,373</b>
<b>Total Assets</b>		<b>10,837</b>	<b>11,899</b>
<b>Current Liabilities</b>			
Payables		4,241	3,774
Interest Bearing Liabilities (excluding Bill Finance)	12	1,657	18,189
Bill Finance	12	-	2,000
Provisions		469	457
Other Liabilities	13	1,094	1,649
<b>Total Current Liabilities</b>		<b>7,461</b>	<b>26,069</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Liabilities	12	3,676	-
Provisions		21	21
Other Liabilities	13	-	75
<b>Total Non-Current Liabilities</b>		<b>3,697</b>	<b>96</b>
<b>Total Liabilities</b>		<b>11,158</b>	<b>26,165</b>
<b>Net Liabilities</b>		<b>(321)</b>	<b>(14,266)</b>
<b>Equity</b>			
Issued capital	14	224,848	217,400
Accumulated Losses		(223,773)	(231,369)
Reserves		(1,396)	(297)
<b>Total Deficiency</b>		<b>(321)</b>	<b>(14,266)</b>

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

## Consolidated Statement of Changes in Equity for the year ended 31 July 2019

	Issued Capital \$'000	Accumulated Losses \$'000	Foreign Currency Translation Reserve \$'000	Equity settled Employee Benefits Reserve \$'000	Cash Flow Hedging Reserve \$'000	Total \$'000
<b>Balance at 31 July 2017</b>	<b>209,483</b>	<b>(259,727)</b>	<b>(499)</b>	<b>117</b>	<b>(88)</b>	<b>(50,714)</b>
Profit for the year	-	28,258	-	-	-	28,258
Other comprehensive income	-	-	(122)	-	88	(34)
Total comprehensive profit	-	28,258	(122)	-	88	28,224
Issue of ordinary shares	7,917	-	-	-	-	7,917
Recognition of share-based payments	-	-	-	307	-	307
Transfer of share-based payments/expenses	-	100	-	(100)	-	-
<b>Balance at 31 July 2018</b>	<b>217,400</b>	<b>(231,369)</b>	<b>(621)</b>	<b>324</b>	<b>-</b>	<b>(14,266)</b>
Profit for the year	-	7,596	-	-	-	7,596
Other comprehensive income	-	-	(980)	-	-	(980)
Total comprehensive profit	217,400	(223,773)	(1,601)	324	-	(7,650)
Issue of ordinary shares	-	-	-	-	-	-
Recognition of share-based payments	-	-	-	(119)	-	(119)
Transfer of share-based payments/expenses	7,448	-	-	-	-	7,448
<b>Balance at 31 July 2019</b>	<b>224,848</b>	<b>(223,773)</b>	<b>(1,601)</b>	<b>205</b>	<b>-</b>	<b>(321)</b>

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

## Consolidated Statement of Cashflows for the year ended 31 July 2019

	Note	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		31,119	46,463
Payments to suppliers and employees		(38,283)	(54,777)
Cash (utilised)/generated from operations		(7,164)	(8,314)
Income taxes refunded/(paid)		29	49
Interest and other costs of finance paid		(562)	(1,917)
<b>Net cash outflow from operating activities</b>		<b>(7,697)</b>	<b>(10,182)</b>
<b>Cash Flows from Investing Activities</b>			
Interest and other investment income received		1	2
Payments for plant and equipment		(5)	(145)
Payments for other intangible assets		(147)	(281)
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of International		-	126
<b>Net cash outflow from investing activities</b>		<b>(151)</b>	<b>(298)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		5,333	2,630
Repayment of commercial bills		(5,136)	-
Security deposit paid		(50)	-
Proceeds from share issue		8,232	8,355
Costs from share issue		(784)	(438)
<b>Net cash inflow from financing activities</b>		<b>7,595</b>	<b>10,547</b>
<b>Net increase/(decrease) in Cash Held</b>		<b>(253)</b>	<b>67</b>
Cash and cash equivalents at the beginning of the year		718	664
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	(13)
<b>Cash and cash equivalents at the end of the year</b>	6	<b>465</b>	<b>718</b>

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



## Notes to the Financial Statements

---

### NOTE 1: Basis of preparation

This preliminary final report has been prepared in accordance with ASX listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This preliminary final report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the *Australian Accounting Standards Board and the Corporations Act 2001*.

The preliminary final report covers the consolidated group of Funtastic Limited and its controlled entities (Consolidated Group). Funtastic Limited is a public company, incorporated and domiciled in Australia.

The preliminary final report of Funtastic Limited and its controlled entities complies with all International Financial Reporting Standards (IFRS) in their entirety.

### Going concern basis

The financial report has been prepared on the going concern basis which contemplates the continuity of business activities and the realisation of assets and the payment of liabilities in the normal course of business.

The profit for the period from continuing operations is \$7.5 million.

As at 31 July 2019 the current net asset position is \$3.1 million. Non-current liabilities of \$3.5 million are a long-term loan with no covenants and a due date of 31 December 2023.

The Group has entered into a secured loan agreement with Jaszac Investments Pty Ltd (Jaszac), for Jaszac to provide funding to the company of an amount up to AUD\$6 million over 4 years for the purpose of general working capital. As at 31 July 2019 the balance of loan drawn was \$3.5 million. Additionally, the Group has a working capital facility of \$10.0 million with Scottish Pacific Business Finance secured by the debtor assets of the business.

The ability for the Group to continue as a going concern is dependent upon the following factors:

- Sustaining the improved financial results through normal trading
- Implementation of strategic initiatives to drive profitable growth
- Securing additional funding either through debt, equity or a combination of both
- Continued support of creditors and customers through appropriate trading terms

The directors believe that the Group will be able to achieve the improved results and deliver the strategic initiatives and are satisfied that the Group will continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

### Reporting basis and conventions

The preliminary final report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which fair value accounting has been applied.

## Notes to the Financial Statements

---

### NOTE 2: Segment information

Based on the reports reviewed by the Chief Executive Officer to make strategic and operating decisions, management has determined that the Group has one operating segment.

#### **Geographical Information**

The Group operates in one principal geographical area – Australia/NZ. The Group's revenue from external customers and information by geographical location is as follows:

	Revenue from External Customers		Non-Current Assets	
	Year ended 31-Jul-19	Year ended 31-Jul-18	Year ended 31-Jul-19	Year ended 31-Jul-18
	\$'000	\$'000	\$'000	\$'000
Australia/NZ	29,959	41,748	302	1,373
	29,959	41,748	302	1,373

#### **Information about major customers**

Included in revenues of Australia/NZ of \$29,959,000 are revenues of approximately \$19,137,856 (2018: \$25,816,079), which arose from sales to that region's three largest customers.

#### **Information about products and services**

The Group generates all their revenue from the sale of consumer products (toys, sporting, confectionery, apparel and lifestyle products).

## Notes to the Financial Statements

### NOTE 3: Discontinued operations

Results of discontinued operation	Year ended 31 July 2019 \$'000	Year ended 31 July 2018 \$'000
Revenue	-	279
Expenses	90	(188)
<b>Profit/(Loss) before tax</b>	<b>90</b>	<b>91</b>
Attributable income tax expense	-	-
<b>Result from operating activities, net of tax</b>	<b>90</b>	<b>91</b>
Comprising:		
Discontinued operation – USA	90	(80)
Discontinued operation – Madman & Wellington Rd	-	171
<b>Profit/(Loss) for the year from discontinued operations</b>	<b>90</b>	<b>91</b>
Basic Profit/(Loss) per share (cents per share)	0.04	0.11
Diluted Profit/(Loss) per share (cents per share)	0.04	0.10

Cashflow used in discontinued operations	Year ended 31 July 2019 \$'000	Year ended 31 July 2018 \$'000
Net cash produced/(used) in operating activities	(14)	(228)

### NOTE 4: Revenue

Revenue from the sale of goods	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
Gross revenue	33,538	45,689
Less settlement discounts and rebates	(3,666)	(3,941)
	29,872	41,748
Other	87	-
	29,959	41,748

## Notes to the Financial Statements

### NOTE 5: Income tax

	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
<b>(a) Income tax expense/(benefit) relating to continuing operations</b>		
Tax expense comprises:		
Current tax expense in respect of the current year	(752)	(187)
Adjustments recognised in the current year in relation to the current tax expense of prior years	96	(165)
	<u>(656)</u>	<u>(352)</u>
Deferred tax expense comprises:		
Deferred tax (benefit) expense relating to the origination and reversal of temporary differences	752	187
<b>Total tax expense/(benefit) relating to continuing operations</b>	<u>96</u>	<u>(165)</u>

#### *Tax Losses and temporary differences*

As at 31 July 2019 the Group has carried forward revenue tax losses of approximately \$50,012,783 (2018: 61,300,989). As at 31 July 2019 a deferred tax asset of \$nil (2018: \$nil) has been booked relating to revenue tax losses and deferred assets relating to temporary differences of \$nil (2018: \$nil). The Company has made losses in previous reporting periods. Following the assessment of the probability of recovery, having considered forecast future taxable income and current tax legislation with respect to carrying forward tax losses and temporary differences, the full balance of tax losses available at 31 July 2019 of \$57,017,036 has not been booked as a deferred tax asset in these financial statements.

### NOTE 6: Cash

For the purposes of the statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the Statement of Financial Position as follows:

	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
Cash and cash equivalents	<u>465</u>	<u>718</u>

## Notes to the Financial Statements

### NOTE 7: Current Assets – Trade and Other Receivables

	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
Trade receivables	6,189	4,893
Allowance for impairment	(1,863)	(1,898)
Allowance for credit notes, rebates & settlement discounts	(866)	(543)
	<u>3,460</u>	<u>2,452</u>
Other receivables	-	504
<b>Total Current Receivables</b>	<u>3,460</u>	<u>2,956</u>

### NOTE 8: Current assets – Inventories

	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
Stock at cost	6,346	6,327
Obsolescence provision	(1,309)	(1,022)
<b>Stock at Net Realisable Value</b>	<u>5,037</u>	<u>5,305</u>

### NOTE 9: Other Assets

	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
<b>Current other assets</b>		
Prepaid royalties	213	665
Prepayments	456	169
Prepaid inventory	747	580
Currency Hedge	138	-
	<u>1,554</u>	<u>1414</u>
<b>Other non-current assets</b>		
Product Development	-	241
Bonds and Deposits	50	-
	<u>50</u>	<u>241</u>

## Notes to the Financial Statements

### NOTE 10: Non-current assets – Plant and equipment

	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
Plant and equipment – at cost	1,185	1,252
Less: accumulated depreciation	(1,145)	(1,110)
	<u>40</u>	<u>142</u>
Leasehold improvements – at cost	-	16
Less: accumulated amortisation	-	(2)
	<u>-</u>	<u>14</u>
	<u>40</u>	<u>156</u>

### Note 11: Non-current Assets – Other Intangibles

	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
Brand names	1,015	1,015
Accumulated amortisation and impairment	(1,015)	(1,015)
	<u>-</u>	<u>-</u>
Software costs	2,935	3,320
Accumulated amortisation and impairment	(2,849)	(3,042)
	<u>86</u>	<u>278</u>
Chill Factor – Trademarks and patents	10,495	10,423
Accumulated amortisation and impairment	(10,369)	(10,249)
	<u>126</u>	<u>174</u>
Licenses, trademarks, distribution agreements & supplier relationships	11,164	10,924
Accumulated amortisation and impairment	(11,164)	(10,400)
	<u>-</u>	<u>524</u>
	<u>212</u>	<u>976</u>

As impairment indicators were present for intangible assets, AASB136 required performance of an impairment assessment of the various other intangibles. This has been performed, based on the royalty relief method by applying a market related royalty rate to the expected future sales and terminal growth rate, which is a level three valuation in the fair value hierarchy. Projected sales were calculated based on the approved FY2020 budget and management's view of longer-term performance expectations. The estimated product life cycle was included in the calculation.

## Notes to the Financial Statements

### NOTE 12: Borrowings

	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
<b>Secured – at amortised cost</b>		
<b>Current</b>		
Trade finance	-	7,617
Overdraft	-	10,512
Finance Lease	-	60
Debtor finance	<b>1,657</b>	-
Interest bearing liabilities (excluding Bill finance)	<b>1,657</b>	18,189
Bill finance	-	2,000
<b>Total Current</b>	<b>1,657</b>	20,189
<b>Non-current</b>		
Interest bearing liabilities	<b>3,676</b>	-
<b>Total Non-current</b>	<b>3,676</b>	-

After significant and lengthy negotiations, the Group completed a major restructuring of its debt facility with the National Australia Bank effective 12 October 2018. The impact of this was a reduction of debt by \$15.710 million by way of a debt forgiveness. The new debtor factoring facilities have been established with Scottish Pacific.

The Group has also obtained a bank guarantee to the value of \$155,863 from Scottish Pacific for the purposes of securing its office lease.

### NOTE 13: Other Liabilities

	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
<b>Current</b>		
Accrued royalties	358	244
GST payable	8	-
Lease Incentives	-	26
Payroll accruals	53	51
Other creditors	-	60
Other accrued expenses	<b>675</b>	1,268
<b>Total Current</b>	<b>1,094</b>	1,649
<b>Non-current</b>		
Lease incentives	-	75
<b>Total Non-current</b>	-	75

## Notes to the Financial Statements

### NOTE 14: Issued Capital

Share Capital	Year ended 31-Jul-19 \$'000	Year ended 31-Jul-18 \$'000
233,176,894 fully paid ordinary shares (2018: 96,025,827)	<b>224,848</b>	217,400

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

	31-Jul-19		31-Jul-18	
	Number of Shares	Share Capital \$'000	Number of Shares	Share Capital \$'000
<b>Movements in Ordinary Share Capital</b>				
Opening balance	96,025,827	217,400	29,484,124	209,483
ESLS 1 cancellations	-	-	-	-
ESLS 2 cancellations	-	-	-	-
ESLS 3 cancellations	-	-	-	-
ESLS 4 cancellations	-	-	(16,000)	-
ESLS 5 cancellations	-	-	(283,000)	-
Capital Raise 19 Sep 17	-	-	66,840,703	7,917
Placement Offer 13 September 2018	20,562,620	1,116	-	-
Entitlement Offer 9 October 2018	116,588,447	6,332	-	-
<b>Closing balance</b>	<b>233,176,894</b>	<b>224,848</b>	<b>96,025,827</b>	<b>217,400</b>
Treasury Shares (ESLS)	-	-	-	-
	<b>233,176,894</b>	<b>224,848</b>	<b>96,025,827</b>	<b>217,400</b>



## Notes to the Financial Statements

### NOTE 15: Earnings per share

	31-Jul-19 Cents per share	31-Jul-18 Cents per share
<b>Basic profit/(loss) per share</b>		
From continuing operations	3.60	32.49
From discontinued operations	0.04	0.11
<b>Total Earnings per share</b>	<b>3.64</b>	<b>32.60</b>
<b>Diluted profit/(loss) per share</b>		
From continuing operations	3.57	31.54
From discontinued operations	0.04	0.10
<b>Total profit/(loss) per share</b>	<b>3.61</b>	<b>31.64</b>
<b>Basic earnings per share calculation:</b>	<b>\$'000</b>	<b>\$'000</b>
Net profit/(loss) after tax for the year – continuing operations	7,506	28,167
Net profit/(loss) after tax for the year – discontinued operations	90	91
<b>Profit/(Loss) used in the calculation of total basic EPS</b>	<b>7,596</b>	<b>28,258</b>
	<b>No. '000</b>	<b>No. '000</b>
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic profit/(loss) per share	208,339	86,686
<b>Diluted earnings per share calculation:</b>		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic profit/(loss) per share	208,339	86,686
Add: Shares deemed to be issued for no consideration in respect of:		
Performance and service rights	1,644	2,623
<b>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</b>	<b>209,983</b>	<b>89,309</b>

### NOTE 16: Dividends on equity instruments

There were no dividends declared or paid during the financial year (2018: nil). The franking account balance at 31 July 2019 is \$19,302 (2018: \$19,302).

## Notes to the Financial Statements

### NOTE 17: Subsidiaries

Name of Entity	Country of Incorporation	Equity Holding	
		Year ended 31-Jul-19 %	Year ended 31-Jul-18 %
<b>Company</b>			
Funtastic Limited(i). (iii)	Australia	100	100
<b>Subsidiaries</b>			
JNH Australia Pty Limited (ii), (iii), (v)	Australia	-	100
Fun International Limited	Hong Kong	100	100
Funtastic (NZ) Pty Limited (ii), (iii), (v)	Australia	-	100
Dorcy Irwin Pacific Pty Limited (iii), (v)	Australia	-	100
Funtastic Employee Share Loan Scheme Trust(iv)	Australia	-	100
Dorcy Investments Pty Limited (iii), (v)	Australia	-	100
Irwin Pacific Pty Limited (ii), (v)	Australia	-	100
Dorcy NZ Pty Limited (v)	New Zealand	-	50
Funtastic USA Pty Limited (formerly Judius Pty Limited) (ii), (iii)	Australia	-	100
Funtastic America Inc. (formerly My Paint Box Inc.)	USA	100	100
NSR (HK) Limited(iii)	Hong Kong	100	100
Safety Products International Pty Limited(ii)	Australia	100	100
Chill Factor Global Pty Limited(ii), (iii)	Australia	100	100
Hydro-Turbine Developments Pty Limited (ii), (iii), (v)	Australia	-	100
Fun Toy Products Consulting (Shenzhen) Company Limited	China	100	100

(i) Funtastic Limited is the head entity within the tax consolidated Group

(ii) These companies are members of the tax consolidated Group

(iii) These wholly owned subsidiaries have entered into a deed of cross guarantee with Funtastic Limited pursuant to ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited financial report. The subsidiaries became a party to the deed of cross guarantee on 23 July 2008.

(iv) During 2013 the Board established the Funtastic Employee Share Loan Scheme Trust for the purpose of purchasing and holding shares on behalf of participants in accordance with ESLS Rules. The assets of the scheme are held separately from those of the Company and are administered by trustees appointed by the Company. The Trust is consolidated into the Group financial statements at 31 July 2018 and was wound up during the reporting period.

(v) Companies are in the process of a voluntary deregistration

## Notes to the Financial Statements

---

### **NOTE 18: Subsequent Events**

There have been no matters or circumstances that have arisen since 31 July 2019 that have affected the Group's operations not otherwise disclosed in this report.

For personal use only

## Notes to the Financial Statements

### NOTE 19: General Information

Funtastic Limited (the Company) is a limited company incorporated in Australia.

#### Distribution of equity securities as at 25<sup>th</sup> September 2019.

Analysis of numbers of equity security holders by size of holdings:

Range	Ordinary Shares		
	Holders	Options	Share rights
1-1,000	2,541	-	-
1,001-5,000	371	-	-
5,001-10,000	129	-	-
10,001-100,000	254	-	-
100,001 and over	170	-	1
	3,465	-	1

Twenty largest quoted equity security holders		Shares	%
1	JASZAC INVESTMENTS PTY LTD <JASON SOURASIS INVESTMNT A/C>	43,400,575	18.61%
2	G HARVEY NOMINEES PTY LTD <HARVEY 1995 DISCRETIONARY AC>	22,113,602	9.48%
3	BOND STREET CUSTODIANS LIMITED <SFPAPL - V38983 A/C>	18,900,000	8.11%
4	PHILRENE PTY LTD <PHILRENE SUPER FUND A/C>	11,555,178	4.96%
5	APES WITH WINGS PTY LTD <SALOM FAMILY 3 A/C>	9,200,000	3.95%
6	BT PORTFOLIO SERVICES LIMITED <MR MICHAEL FIRRITO BTML A/C>	8,990,000	3.86%
7	UBS NOMINEES PTY LTD	5,350,000	2.29%
8	ANGIE TARAS	5,000,000	2.14%
9	TIGA TRADING PTY LTD	4,404,668	1.89%
10	CITICORP NOMINEES PTY LIMITED	4,236,020	1.82%
11	BOND STREET CUSTODIANS LIMITED <SFPAPL - V38986 A/C>	3,578,400	1.53%
12	VAWDREY NOMINEES PTY LTD <THE VAWDREY FAMILY ACCOUNT>	3,296,324	1.41%
13	MRS ANNABEL JANE MACKENZIE	3,225,833	1.38%
14	BODIE INVESTMENTS PTY LTD	3,000,000	1.29%
15	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	2,824,000	1.21%
16	BT PORTFOLIO SERVICES LIMITED <LPS INVESTMENT CO UNIT A/C>	2,773,000	1.19%
17	HEATH NOMINEES (AUST) PTY LTD <THE HEATH FAMILY A/C>	2,640,706	1.13%
18	GRACELITE PTY LTD <SIGSTON FAMILY A/C>	2,476,538	1.06%
19	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	2,007,617	0.86%
20	MR SHANE FRANCIS TANNER & MS LISA JANE WHEELER <TANNER SUPER FUND A/C>	2,000,000	0.86%

Unquoted equity securities	Number on Issue	Number of holders
Rights issued under the Employee Incentive Plan	-	1

#### Voting Rights

The voting rights attaching to each class of equity securities are set out below:

##### Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

##### Options and Share Rights

No voting rights.