



Ridley Corporation Limited

Appendix 4E Preliminary final report

ABN 33 006 708 765

Results for announcement to the market

Reporting period: Financial year ended 30 June 2021
Previous corresponding period: Financial year ended 30 June 2020
Release date: 25 August 2021

| | | | | \$millions |
|---|------|--------|----|-------------------|
| Revenue from ordinary activities | Down | 4.1% | to | 927.7 |
| EBITDA from ongoing operations | Up | 16.1% | to | 69.1 |
| Net profit after tax from ordinary activities attributable to members and Net profit for the period attributable to members | Up | 329.2% | to | 24.9 |
| Total comprehensive income attributable to members | Up | 331.6% | to | 24.9 |

| | 30 June 2021 | 30 June 2020 |
|--|--------------|--------------|
| Net tangible assets per ordinary share | 0.66 | 0.59 |

Dividends

The Board has declared a final dividend of 2 cents per share (**cps**), fully franked and payable on Friday 29 October 2021 for a cash outlay of approximately \$6.4 million (**m**). No dividend was paid in the previous corresponding period or in the interim period.

| | |
|--|-----------------------------------|
| Record date for determining entitlements to the final dividend | 5.00 pm on Friday 8 October 2021. |
|--|-----------------------------------|

Further detail of the above figures is set out on the following pages and in the Company's separate results investor presentation.

Audit statement

This report is based on accounts which are in the process of being audited. There is not expected to be any dispute or qualification to the Company's financial report. The audit report will be made available with the Company's financial report.



Growth Strategy delivering improved earnings

Results

The highlights of the Ridley Corporation Limited consolidated group (**Ridley or Group**) FY21 results are:

- \$9.6m, or 16.1% increase in EBITDA from ongoing operations (before Individually Significant Items) on prior corresponding period driven by the execution of Ridley's Growth Strategy and demonstrating resilience to seasonal changes and the impacts of COVID-19.
- \$64.1m, or 44% reduction in net debt from \$147.2m to \$83.1m, driven by earnings, working capital reduction and disciplined controls over capital expenditure.

| SUMMARY (\$ million unless otherwise stated) | 2021 | 2020 | Movement |
|--|------|---------------------|----------|
| EBITDA - ongoing operations ¹ | 69.1 | 59.5 | ▲ 9.6 |
| Total comprehensive income | 24.9 | (10.7) ³ | ▲ 35.6 |
| Operating cash flow ¹ | 82.4 | 39.8 | ▲ 42.6 |
| Net debt | 83.1 | 147.2 | ▼ 64.1 |
| Leverage ratio (times) ^{1,2} | 1.20 | 2.63 ³ | ▼ 1.43 |
| Earnings Per Share (cents) | 7.8 | (3.4) ³ | ▲ 11.2 |

¹ Before Individually Significant Items.

² Calculated as Net debt / Last 12 months EBITDA per banking facility covenant calculations.

³ Restated FY20 Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows as detailed in Note 8.

The Directors believe that the presentation of the unaudited non-IFRS financial summary above is useful for users of the accounts as it reflects the underlying financial performance of the business.

For statutory reporting purposes, the Consolidated Profit and Loss from continuing operations after income tax for the year was a profit of \$24.9m (2020: \$10.7m restated loss). The Consolidated Profit and Loss from continuing operations before income tax for the year was a profit of \$35.0m (2020: \$16.9m restated loss).

In support of the strong financial performance of the business, the Company has delivered another strong safety performance with employees demonstrating resilience in dealing with the operational challenges of the global COVID-19 pandemic.

Segment Performance

Following the business restructure, from 1 July 2020 the Group adopted two reporting segments: Packaged Feeds and Ingredients, and Bulk Stockfeeds.

The Packaged Feeds and Ingredients segment performed strongly, delivering an EBITDA of \$46.5m. The main contributor to the segment's increase in performance year on year was the Rendering business unit where the gains can be attributed equally to the ongoing yield improvement and product premiumisation initiatives, and the higher market prices for rendered oils and meals. The branded Packaged Products business also grew earnings in its traditional rural distribution channels whilst augmenting this with new product lines into the urban pet specialty chains. Margins in the Aquafeed business were adversely impacted as we sought to grow volumes in a market with surplus feed production capacity. The segment carried a small loss from Novacq™ with the Thailand site commencing commercial operations on 1 July 2020 (previously capitalised as an Intangible Applied R&D Project asset).

Segment Performance (continued)

The Bulk Stockfeeds segment contributed an EBITDA of \$32.5m, with a stronger operational performance in the second half of the year. This was led by an increase in sales volumes to the pig and poultry sectors and the seamless transition to the new Wellsford feed mill with the closure of the Mooroopna feed mill in February 2021. Beef and sheep sales remain below the record “drought feeding” levels experienced in FY20 with the return to normal on-farm pasture.

The corporate cost of \$9.9m is consistent with the prior year while the 22% reduction in net finance costs to \$4.5m reflects lower interest rates and the commencement of debt retirement.

Cash flows and debt

The increased earnings, a reduction in inventory and disciplined capital expenditure management has generated an operating cash flow before significant items of \$82.4m for FY21. The cash conversion from ongoing operations was 119% (FY20: 67%).

This strong cash generation has reduced Net Debt as at 30 June 2021 to \$83.1m, down \$64.1m from 30 June 2020, and the FY21 Leverage ratio has reduced to 1.20 times.

Earnings per share

The earnings per share as at 30 June is reflected in the table below:

| | 2021 Cents | 2020 ¹ Cents |
|---|---------------|----------------------------|
| Basic / Diluted earnings per share - Continuing | 7.8 / 7.6 | (3.4) / (3.4) |
| - Before Individually Significant Items | 7.8 / 7.6 | 7.1 / 7.1 |

¹ Restated FY20 Consolidated Statement of Comprehensive Income as detailed in Note 8.

The Directors believe that the presentation of the unaudited non-IFRS EPS calculation before Individually Significant Items above is useful for users of the accounts as it reflects the underlying earnings per share of the business.

Individually Significant Items (Note 5(d))

(i) Property sales

The sale of the surplus land at Lara and Moolap generated a FY21 pre-tax profit of \$3.7m (\$2.6m after tax).

(ii) Software-as-a-Service (SaaS) arrangements

The International Financial Reporting Standards Interpretations Committee (IFRIC) has issued a final agenda decision which impacts SaaS arrangements. The Group's accounting policy has traditionally been to capitalise costs related to SaaS arrangements as Capital work in progress in the Consolidated Balance Sheet. The adoption of the agenda decision has resulted in a change in accounting policy, giving rise to a reclassification of \$3.6m of FY21 costs (FY20: \$1.1m) that had previously been capitalised as an asset in the Consolidated Balance Sheet to an expense in the Statement of Comprehensive Income (Note 8).

The pre-tax, net effect of the two FY21 Individually significant items is \$28,000.

Changes in controlled entities

Wholly owned, non-operating, and Singapore-incorporated subsidiary Novacq™ International Pte. Ltd. was sold on 16 April 2021 for no profit or loss.

Events occurring after the balance sheet date

The sale of the Westbury extrusion plant for \$54.85m was completed on 2 August 2021. The asset has been reflected as a Current asset held for sale at 30 June 2021 and a profit on sale in excess of \$7m will be brought to account in FY22.

A contract for the sale of the former feedmill at Bendigo was executed on 27 July 2021 for gross proceeds of \$2.2m and a contract for the sale of the former feedmill at Mooroopna was executed on 13 August 2021 for \$1.65m. The sales will generate a pre-tax gain on sale in FY22 in the vicinity of \$2.8m.

Outlook

With the organisational restructure in FY20, a new platform was established to drive accountability and operational efficiencies whilst ensuring a more customer orientated business. This has created sustainable improvements in the underlying performance of the business which continues to gain in momentum.

Ridley considers it is well placed to grow earnings and cash in the year ahead through:

- continued momentum in the underlying business segments (including strong EBITDA performance through the first seven weeks of FY22);
- the ongoing delivery of the Growth Strategy; and
- the expected returns from the Project Boost capital reinvestment program.

The developing Capital Allocation Framework is aimed at delivering attractive shareholder returns, whilst maintaining a strong balance sheet and supporting business growth.

For further information please contact:

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

| | Note | 2021 \$'000 | Restated ¹ 2020 \$'000 |
|--|------|----------------|---|
| Revenue from continuing operations | 4 | 927,719 | 967,942 |
| Cost of sales | | (848,694) | (901,152) |
| Gross profit | | 79,025 | 66,790 |
| Finance income | 5(b) | 21 | 86 |
| Other income | 4 | 4,917 | 1,082 |
| Expenses from continuing operations: | | | |
| Selling and distribution | | (14,090) | (14,493) |
| General and administrative | 5(d) | (30,303) | (64,121) |
| Finance costs | 5(b) | (4,530) | (5,914) |
| Share of net losses from equity accounted investments | | - | (333) |
| Profit / (Loss) from continuing operations before income tax expense | | 35,040 | (16,903) |
| Income tax (expense) / benefit | | (10,144) | 6,041 |
| Profit / (Loss) from continuing operations after income tax | | 24,896 | (10,862) |
| Net Profit / (Loss) after tax attributable to members of Ridley Corporation Limited | | 24,896 | (10,862) |
| Other comprehensive income | | | |
| Available for sale financial assets - net change in fair value | | - | 114 |
| Other comprehensive income for the year, net of tax | | - | 114 |
| Total comprehensive income / (loss) for the year | | 24,896 | (10,748) |
| Total comprehensive income / (loss) for the year attributable to: | | | |
| Ridley Corporation Limited | | 24,896 | (10,748) |
| Earnings per share | | | |
| Basic earnings per share - continuing | 2 | 7.8c | (3.4)c |
| Basic earnings per share | 2 | 7.8c | (3.4)c |
| Diluted earnings per share - continuing | 2 | 7.6c | (3.4)c |
| Diluted earnings per share | 2 | 7.6c | (3.4)c |

¹ Restated FY20 Consolidated Statement of Comprehensive Income as detailed in Note 8.

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

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2021

| | 2021 \$'000 | Restated ¹ 2020 \$'000 |
|--------------------------------------|----------------|---|
| Current assets | | |
| Cash and cash equivalents | 39,904 | 45,818 |
| Receivables | 113,561 | 111,722 |
| Inventories | 81,947 | 104,490 |
| Assets held for sale | 46,078 | 188 |
| Total current assets | 281,490 | 262,218 |
| Non-current assets | | |
| Receivables | 1,446 | 1,702 |
| Property, plant and equipment | 244,802 | 293,133 |
| Intangible assets | 75,892 | 75,001 |
| Deferred tax asset | 9,431 | 12,564 |
| Total non-current assets | 331,571 | 382,400 |
| Total assets | 613,061 | 644,618 |
| Current liabilities | | |
| Payables | 169,752 | 165,374 |
| Borrowings | - | 193,000 |
| Provisions | 17,319 | 21,117 |
| Tax liability | 5,858 | 384 |
| Total current liabilities | 192,929 | 379,875 |
| Non-current liabilities | | |
| Payables | 9,262 | 4,882 |
| Borrowings | 123,000 | - |
| Provisions | 325 | 324 |
| Total non-current liabilities | 132,587 | 5,206 |
| Total liabilities | 325,516 | 385,081 |
| Net assets | 287,545 | 259,537 |
| Equity | | |
| Share capital | 225,114 | 223,521 |
| Reserves | 1,706 | 1,843 |
| Retained earnings (Note 6) | 60,725 | 34,173 |
| Total equity | 287,545 | 259,537 |

¹ Restated FY20 Consolidated Balance Sheet as detailed in Note 8.

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

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

2021

| | Share Capital \$'000 | Share Based Payments Reserve \$'000 | Fair Value Reserve \$'000 | Retained Earnings \$'000 | Total \$'000 |
|---|----------------------------|---|---------------------------------|--------------------------------|-----------------|
| Opening balance at 1 July 2020 ¹ | 223,521 | 1,843 | - | 34,173 | 259,537 |
| Profit for the year | - | - | - | 24,896 | 24,896 |
| Other Comprehensive (Loss) / Income for the year | - | - | - | - | - |
| Transactions with owners recognised directly in equity: | | | | | |
| Issue of share capital | 1,593 | - | - | - | 1,593 |
| Transfer to Retained Earnings | - | (1,656) | - | 1,656 | - |
| Share based payment transactions | - | 1,519 | - | - | 1,519 |
| Total transactions with owners recognised directly in equity | 1,593 | (137) | - | 1,656 | 3,112 |
| Balance at 30 June 2021 | 225,114 | 1,706 | - | 60,725 | 287,545 |

2020

| | Share Capital \$'000 | Share Based Payments Reserve \$'000 | Fair Value Reserve \$'000 | Retained Earnings \$'000 | Total \$'000 |
|--|----------------------------|---|---------------------------------|--------------------------------|-----------------|
| Opening balance at 1 July 2019 | 218,941 | 3,601 | 117 | 54,840 | 277,499 |
| Adjustment to opening retained earnings ¹ | | | | 114 | 114 |
| (Loss) for the year ¹ | - | - | - | (10,862) | (10,862) |
| Other Comprehensive (Loss) / Income: | | | | | |
| Available for sale financial assets – net change in fair value, net of tax | - | - | 114 | - | 114 |
| Total Comprehensive (Loss) / Income for the year ¹ | - | - | 114 | (10,862) | (10,748) |
| Realisation of reserves following disposal of asset | - | - | (231) | 231 | - |
| Transactions with owners recognised directly in equity: | | | | | |
| Dividends paid / declared | - | - | - | (13,226) | (13,226) |
| Shares issued under the Dividend Reinvestment Plan | 4,580 | - | - | - | 4,580 |
| Share based payment transactions | - | (1,758) | - | 3,076 | 1,318 |
| Total transactions with owners recognised directly in equity | 4,580 | (1,758) | - | (10,150) | (7,328) |
| Balance at 30 June 2020 | 223,521 | 1,843 | - | 34,173 | 259,537 |

¹ Restated FY20 Consolidated Statement of Changes in Equity as detailed in Note 8.

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

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

| | 2021 \$'000 | Restated ¹ 2020 \$'000 |
|---|-----------------|---|
| Cash flows from operating activities | | |
| Receipts from customers | 1,015,093 | 1,059,670 |
| Payments to suppliers and employees | (924,824) | (1,027,822) ¹ |
| Interest received | 21 | 86 |
| Other income received | 1,200 | 1,082 |
| Interest and other costs of finance paid | (4,007) | (6,314) |
| Income tax payment | (1,705) | (4,335) |
| Net cash from operating activities | 85,778 | 22,367 |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (19,364) | (55,127) ¹ |
| Payments for intangibles | (2,433) | (4,544) |
| Proceeds from sale of available for sale asset | - | 1,888 |
| Proceeds from sale of non-current assets | 5,362 | 3,850 |
| Net cash used in investing activities | (16,435) | (53,933) |
| Cash flows from financing activities | | |
| Issue of share capital | - | 2,440 |
| Purchase of shares for share based payments | (207) | (160) |
| (Repayment of) / Proceeds from borrowings | (70,000) | 74,074 |
| Dividends paid (Note 3) | - | (10,926) |
| Payment of lease liabilities | (5,050) | (5,046) |
| Loans to related parties | - | (481) |
| Net cash from / (used in) financing activities | (75,257) | 59,901 |
| Net movement in cash held | (5,914) | 28,335 |
| Cash at the beginning of the financial year | 45,818 | 17,483 |
| Cash at the end of the financial year | 39,904 | 45,818 |

¹ Restated FY20 Consolidated Statement of Cash Flows as detailed in Note 8.

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

Note 1 – Basis of preparation of preliminary financial report

This report has been prepared in accordance with Australian Accounting Standards relevant to the preparation of the Appendix 4E and other mandatory professional reporting requirements for the purpose of fulfilling the Group's obligation under Australian Securities Exchange (ASX) listing rules. The report is presented in Australian dollars.

Other than the Change in Accounting Policy detailed in Note 8, the accounting policies have been applied consistently to all periods presented in the consolidated financial report. The financial report has been prepared on the basis of historical cost, except for derivative financial instruments and cash settled share-based payment arrangements which have been measured at fair value. A full description of the accounting policies adopted by the Group may be found in the Group's full financial report.

Note 2 – Earnings per share

| | 2021 | 2020 |
|--|-----------|---------------|
| | Cents | Cents |
| Basic / Diluted earnings per share ¹ - Continuing | 7.8 / 7.6 | (3.4) / (3.4) |
| - Before Individually Significant Items # | 7.8 / 7.6 | 7.1 / 7.1 |

FY20 Restated NPAT before individually significant items is \$22.1m after adding back \$32.8m of post-tax Individually Significant Items.

| Earnings used in calculating earnings per share: | 2021 | | 2020 | |
|--|-----------------|-------------------|-----------------|-------------------|
| | Basic \$'000 | Diluted \$'000 | Basic \$'000 | Diluted \$'000 |
| Profit / (Loss) after income tax ¹ | 24,896 | 24,896 | (10,748) | (10,748) |

¹ Restated FY20 Consolidated Statement of Comprehensive Income as detailed in Note 8.

| Weighted average number of shares used in calculating: | 2021 | 2020 |
|--|-------------|-------------|
| Basic earnings per share | 318,910,291 | 312,285,443 |
| Diluted earnings per share | 325,408,326 | 312,285,443 |

There were no shareholder distributions or buy backs during the year.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares on issue during the financial year.

2,063,420 Ridley shares were issued in FY21 as consideration for the FY20 STI award. In FY20, 6,175,334 Ridley shares were issued in May 2020 under the Dividend Reinvestment Plan which was utilised for the payment of the FY20 interim dividend.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Based on the vesting conditions and exercise price, as at 30 June 2021, there are 6,498,035 (30 June 2020: nil) potential ordinary shares outstanding based on the hypothetical vesting of Performance Rights on issue as at 30 June 2021.

Note 3 – Dividends

| Dividends paid during the year | Franking | Payment date | Per share (cents) | 2021 \$'000 | 2020 \$'000 |
|--------------------------------|---------------|---------------------------------|-------------------|-------------|---------------|
| Interim dividend | Fully franked | 2021: nil (2020: 30 April 2020) | - (2020:1.5) | - | 4,670 |
| Final dividend | Fully franked | 2021: nil (2020: 31 Oct 2019) | - (2020:2.75) | - | 8,556 |
| | | | | - | 13,226 |

Since the end of the financial year, the Board has declared the following with respect to the FY21 final dividend

| 2021 \$'000 | 2020 \$'000 |
|-------------|-------------|
|-------------|-------------|

Following a year of strong operating performance, cash generation and debt retirement in FY21, the Board has declared a final dividend of 2 cents per share (cps), fully franked and payable on Friday 29 October 2021.

| | |
|--------------|---|
| 6,390 | - |
|--------------|---|

Amount of franking credits available at 30 June to shareholders of Ridley Corporation Limited for subsequent financial years (prior to the above dividend declaration)

| | |
|---------------|--------|
| 17,525 | 16,048 |
|---------------|--------|

Note 4 – Revenue and other income

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Revenue from continuing operations | | |
| Sale of goods | 927,719 | 967,942 |
| Other income from continuing operations | | |
| Rent received | 61 | 78 |
| Gain on sale of land assets held for sale | 3,674 | - |
| Gain on sale of property, plant and equipment | 43 | - |
| Credit card fees | 160 | 277 |
| Other | 979 | 727 |
| Other income from continuing operations | 4,917 | 1,082 |

Note 5 – Expenses

Profit from continuing operations before income tax is arrived at after charging the following individually significant items:

| (a) Depreciation and amortisation | 2021 \$'000 | 2020 \$'000 |
|-----------------------------------|---------------|---------------|
| Buildings | 2,548 | 2,153 |
| Plant and equipment | 20,783 | 17,584 |
| Software | 1,302 | 1,418 |
| Intangible assets | 240 | 133 |
| Right of use assets | 4,756 | 4,871 |
| | 29,629 | 26,159 |

Note 5 – Expenses (continued)

| (b) Finance costs | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Interest expense | 4,314 | 5,877 |
| Interest expense on lease liabilities | 393 | 437 |
| Amortisation of borrowing costs | 160 | 279 |
| Interest income | (21) | (86) |
| Unwind of discount on deferred consideration | (337) | (679) |
| | 4,509 | 5,828 |

Finance costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs are expensed as incurred unless they relate to qualifying assets, being assets which normally take more than 12 months from commencement of activities necessary to prepare for their intended use or sale to the time when substantially all such activities are complete.

| (c) Other expenses | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Employee benefits expense | 81,457 | 89,493 |
| Expenses relating to short term leases and low value assets | 779 | 747 |
| Impairment loss on trade receivables – net of recoveries | - | (10) |
| Foreign exchange loss | 795 | 94 |
| Loss on disposal of property, plant and equipment | 132 | 269 |
| Research and development | 17,166 | 17,779 |

(d) Individually Significant Items on a pre-tax basis included in General and administrative expenses unless otherwise stated:

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------------------|
| Internal restructure | - | 4,219 |
| Murray Bridge feedmill closure | - | 7,219 |
| Settlement of Baiada legal claim | - | 1,935 |
| Rationalisation of Central / Northern Victoria operations | - | 7,005 |
| Impairment of Non-current Investment Property | - | 1,265 |
| Impairment of Novacq™ Business Unit | - | 21,573 |
| Software-as-a-Service change in accounting policy (Note 8) | 3,646 | 1,118 ¹ |
| Total Individually Significant Items included in General and Administrative expenses | 3,646 | 44,334 ¹ |
| Included in Other income: | | |
| Gain on sale of land assets held for sale | (3,674) | - |
| Total Individually Significant Items (gain) / loss | (28) | 44,334 |

¹ Restated FY20 Consolidated Statement of Comprehensive Income as detailed in Note 8.

Note 6 – Retained earnings

| Retained earnings | 2021 \$'000 | Restated 2020 \$'000 |
|---|----------------|----------------------------|
| Opening balance at 1 July | 34,173 | 54,840 |
| Adjustment to opening retained earnings | - | 114 |
| Net Profit / (Loss) for the year | 24,896 | (10,862) ¹ |
| Dividends paid | - | (13,226) |
| Share-based payments reserve transfer | 1,656 | 3,076 |
| Fair Value reserve transfer | - | 231 |
| Closing balance at 30 June | 60,725 | 34,173 |

¹ Restated FY20 Retained Earnings as detailed in Note 8.

Note 7 – Segment reporting

| 2021 financial year in \$'000 | Bulk stockfeeds | Packaged / Ingredients | Unallocated | Consolidated |
|--|--------------------|---------------------------|-----------------|------------------|
| Total sales revenue – external | 612,703 | 315,016 | - | 927,719 |
| Other income | 533 | 210 | 4,174 | 4,917 |
| Total income (Note 4) | 613,236 | 315,226 | 4,174 | 932,636 |
| Depreciation and amortisation expense (Note 5(a)) | 16,271 | 13,342 | 16 | 29,629 |
| Interest income | - | - | 21 | 21 |
| Finance costs (Note 5(b)) | - | - | (4,530) | (4,530) |
| Reportable segment profit/(loss) before income tax and individually significant items | 16,210 | 33,165 | (14,363) | 35,012 |
| Individually significant items | - | - | 28 | 28 |
| Reportable segment profit/(loss) before income tax | 16,210 | 33,165 | (14,335) | 35,040 |
| Total segment assets | 258,618 | 305,374 | 49,069 | 613,061 |
| Segment liabilities | (132,316) | (60,086) | (133,114) | (325,516) |
| Acquisitions of assets ² | 13,304 | 18,604 | - | 31,908 |

Note 7 – Segment reporting (continued)

From 1 July 2020, a new segment reporting structure was introduced. The following Segment Reporting table for the prior year has been reclassified to the new segment reporting structure.

| 2020 financial year in \$'000 – Restated ¹ | Bulk stockfeeds | Packaged / Ingredients | Unallocated | Consolidated |
|--|-----------------|------------------------|-----------------|------------------|
| Total sales revenue – external | 660,570 | 307,372 | - | 967,942 |
| Other income | 665 | 306 | 111 | 1,082 |
| Total income (Note 4) | 661,235 | 307,678 | 111 | 969,024 |
| Share of loss of equity accounted investments | - | (333) | - | (333) |
| Depreciation and amortisation expense (Note 5(a)) | 14,746 | 11,401 | 12 | 26,159 |
| Interest income | - | 5 | 81 | 86 |
| Finance costs (Note 5(b)) | - | - | (5,914) | (5,914) |
| Reportable segment profit/(loss) before income tax and individually significant items | 19,585 | 23,763 | (15,917) | 27,431 |
| Individually significant items | (18,289) | (22,639) | (3,406) | (44,334) |
| Reportable segment profit/(loss) before income tax | 1,296 | 1,124 | (19,323) | (16,903) |
| Total segment assets | 267,009 | 302,660 | 74,949 | 644,618 |
| Segment liabilities | (126,426) | (59,549) | (199,106) | (385,081) |
| Acquisitions of assets ² | 41,442 | 36,675 | - | 78,117 |

¹ Restated FY20 Segment Reporting as detailed in Note 8.

² Acquisitions include Property, plant and equipment, Intangibles, and in FY20, the initial transition impact of AASB16 Leases

Note 8 – Restatement of FY20

Ridley is nearing the end of a two year implementation of a new, cloud-based Enterprise Resource Planning end to end computer system, and has assessed the costs previously capitalised to the balance sheet as Capital works in progress against the new IFRIC interpretation. Consequently, \$3.6m of pre-tax project costs incurred in FY21 have been derecognised and reported as an Individually Significant Item, with a further \$1.1m before tax derecognised in respect of FY20 as a prior year restatement (Note 5(d)). Costs incurred to complete the implementation in FY22 will be assessed and also reported as an Individually Significant Item. There is a related tax impact for this change in accounting treatment.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020 in \$'000

| | As previously reported | Adjustment | As restated |
|--|------------------------|----------------|-----------------|
| General and administrative expenses | (63,003) | (1,118) | (64,121) |
| (Loss) before income tax | (15,785) | (1,118) | (16,903) |
| Income tax benefit | 7,145 | (1,104) | 6,041 |
| (Loss) attributable to members of Ridley Corporation Limited | (8,640) | (2,222) | (10,862) |
| Total Comprehensive Income | (8,526) | (2,222) | (10,748) |

Note 8 – Restatement of FY20 (continued)

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2020

| | As previously reported | Adjustment | As restated |
|---------------------------------|------------------------|----------------|----------------|
| Property, plant and equipment | 294,251 | (1,118) | 293,133 |
| Deferred tax asset ¹ | 13,554 | (990) | 12,564 |
| Total non-current assets | 384,508 | (2,108) | 382,400 |
| Total assets | 646,726 | (2,108) | 644,618 |
| Net assets | 261,645 | (2,108) | 259,537 |
| Retained earnings ¹ | 36,281 | (2,108) | 34,173 |
| Total equity | 261,645 | (2,108) | 259,537 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| | | | |
|--|-----------------|----------------|-----------------|
| Payments to suppliers and employees | (1,026,704) | (1,118) | (1,027,822) |
| Net cash from operating activities | 23,485 | (1,118) | 22,367 |
| Payments for property, plant and equipment | (56,245) | 1,118 | (55,127) |
| Net cash used in investing activities | (55,051) | 1,118 | (53,933) |

¹ After opening balance adjustment as at 1 July 2019 of \$114k against Retained Earnings.

Note 9 – Investments accounted for using the equity method

| Name of Company | Principal Activity | Country of Incorporation | Ownership Interest | | Carrying Amount | |
|---|----------------------|--------------------------|--------------------|------|-----------------|--------|
| | | | 2021 | 2020 | 2021 | 2020 |
| Joint venture entities: | | | % | % | \$'000 | \$'000 |
| Nelson Landholdings Pty Ltd as Trustee for Nelson Landholdings Trust ¹ | Property realisation | Australia | 50 | 50 | - | - |

¹ The Company and Unit Trust were the corporate structure through which any ultimate development of the Moolap site was to be managed. Given the sale of the Investment Property at Moolap, which was the subject of the development, the Joint venture entities will be de-registered during the coming year.

Investments in joint venture entities are accounted for in the consolidated financial statements using the equity method of accounting.

Note 10 – Events occurring after the balance sheet date

The sale of the Westbury extrusion plant for \$54.85m was completed on 2 August 2021. The asset has been reflected as a Current asset held for sale at 30 June 2021 and a profit on sale in excess of \$7m will be brought to account in FY22.

A contract for the sale of the former feedmill at Bendigo was executed on 27 July 2021 for gross proceeds of \$2.2m and a contract for the sale of the former feedmill at Mooroopna was executed on 13 August 2021 for \$1.65m. The sales will generate a pre-tax gain on sale in FY22 in the vicinity of \$2.8m.

There were no other matters or circumstances that have arisen since 30 June 2021 that have significantly affected, or may significantly affect:

- (i) the Group's operations in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the Group's state of affairs in future financial years.