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annual report 2021



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F.F.I. HOLDINGS LTD is a Western Australian based food processing company which was listed on the Australian Securities Exchange in 1986.

Driven by a management philosophy which focuses on efficiency, reliability and innovation as key goals, the Company has expanded steadily and operations now cover the following areas.

FOOD OPERATIONS

Fresh Food Industries Pty Ltd, a 100% controlled entity, operates the following business divisions -



Chocolate Products of Australia

Specialises in the manufacture of cooking chocolate, chocolate coated confectionery, sugar confectionery, cake decorations, ready to roll icing and popcorn snack foods for the retail market. Includes products manufactured under retailers' private labels and also the Company's own proprietary retail brands "**Nemar**", "**Golden Popcorn**" and "**Orchard Icing**".



Prepact

Processing and packaging a wide range of products for the home cooking needs market sector. The majority of products are distributed to the retail market under the well recognised "**Prepact**" and "**Snowflake**" brands. Also incorporates contract packing for third party brands.



Fresh Food Industries - Bakery Products

Includes the processing and manufacture of apple products, bakers fillings, chocolate, specialty chocolate compounds and cake decoration toppings for the bakery and pastrycooks industry.

PROPERTY INVESTMENT

The Company has a significant investment in prime industrial and commercial property which is held for investment purposes. The properties adjoin the Company's existing food factories, are adjacent to the rapidly developing Cockburn Central Town Centre and are ideally suited for further subdivision and development. The properties are only partially developed and provide a significant opportunity to grow the Company's investment income.

Financial Summary

for the financial years ended 30 June

	2021 \$	2020 \$	2019 \$	2018 \$	2017 \$
Revenue from operating activities – continuing operations	37,297,337	35,389,434	32,378,857	35,433,276	34,197,189
Other revenue	6,831,529	358,997	(1,009)	7,340	(4,169)
Total revenue from continuing operations	44,128,866	35,748,431	32,377,848	35,440,616	34,193,020
Profit before tax from:					
- Continuing operations -					
Underlying profit	4,692,308	4,043,909	3,781,709	3,246,174	3,105,960
- MRWA related transactions	6,888,637	284,604	-	-	-
- Property revaluation	-	328,611	-	-	-
- Discontinued operations	-	189,048	234,399	-	-
Profit before tax	11,580,945	4,846,172	4,016,108	3,246,174	3,105,960
Income tax	(2,857,655)	(1,270,887)	(717,836)	(930,323)	(878,815)
Profit after tax	8,723,290	3,575,285	3,298,272	2,315,851	2,227,145
Earnings per share (cents)	81.0	33.2	30.8	21.7	21.7
Earnings per share from continuing operations (cents)	81.0	31.9	29.3	21.7	21.7
Earnings per share from discontinued operations (cents)	-	1.3	1.5	-	-
Ordinary dividend per share (cents) (including final dividend)	26.0	24.0	22.0	20.0	20.0
Dividends paid	2,692,491	2,474,885	2,141,923	2,121,257	2,134,504
Total shareholders' equity	43,865,515	37,604,431	36,025,000	34,544,559	33,590,884
Net tangible asset backing per share	4.02	3.44	3.30	3.17	3.15



Chairman's Review

On behalf of the Directors, I am pleased to report that the year under review has been an outstanding success for our Company.

There were a number of highlights achieved during the year –

- The Company completed negotiations and accepted an offer of \$9.95 million (plus interest of \$0.49 million) from Main Roads of Western Australia (MRWA) as settlement of the Company's claim for compensation for the previously reported compulsory acquisition of part of the Company's land holdings. The settlement amount included compensation for the land taken, as well as damage suffered by the Company due to business disruption, severance of the land and the reinstatement of business assets.
- The first stage of the major site redevelopment works that are necessary as a result of the above business interruption were completed. The works included major road works, hard standing extensions, electrical supply installations, and factory extensions.
- Notwithstanding the significant disruptions from the capital works mentioned above, the strength and quality of the Company's food business enabled the Company to continue to achieve steady growth in both revenue and profit.

Financial results

The Company achieved a net profit before tax attributable to members of \$11.58 million for the year under review. The profit includes income relating to the compensation received from MRWA referred to above.

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

A summary of the reported profit result is shown below:

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

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

Food operations

Sales revenue from the Company's food operations increased by 4.75% to \$35.5 million from \$33.9 million previously. The steady sales growth mainly relates to the Company's important chocolate, cake decorations and bakers filling division. The improvement reflects the success of the ongoing growth strategy that is based on the orderly development and introduction of new products and processes to the business enterprise.

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

Chairman's Review

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

Property investment

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

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

Dividend

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

Outlook

I am pleased to report that the outlook remains very positive. The Company is in a sound financial position with no debts and strong cash flows from quality assets. The Board and management are focused on improving operating performance and are pursuing a number of initiatives to achieve further growth.



Rodney Moonen
Chairman
29th September 2021

Your Directors have pleasure in presenting their report on the company and its controlled entities for the financial year ended 30 June 2021.

DIRECTORS

The names and details of the Directors of the Company in office at any time during the financial period and up to the date of this report are:

Mr Rodney G Moonen

Mr Geoffrey W Nicholson

Mr Robert D Fraser

COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the financial year:

Rodney G Moonen (Refer to details of Directors for experience and qualification details)

PRINCIPAL ACTIVITIES

The activities of the Company during the year were:

- The processing, manufacture, packaging and distribution of food products for the Australian food industry.
- Property investment and leasing.

There were no significant changes in the nature of the Company's activities during the year.

OPERATING RESULTS

The consolidated profit of the consolidated entity after income tax amounted to \$8,723,290 (2020: \$3,575,285).

OPERATIONS AND FINANCIAL REVIEW

Food Operations

The Company is a manufacturer of a range of food products for the Australian industrial, wholesale and retail markets. The food operations are based entirely in Australia and include:

- The manufacture of chocolate and confectionery products.
- The manufacture of bakers jam fillings and processed apple products.
- The processing and packing of home cooking needs products.

The Company's main activities are based on being a niche market manufacturer, developing and supplying products to meet the needs of major Australian manufacturing, wholesale and retail food companies. With a focus on niche markets and a diverse customer base, the Company does not have either a dominant position in any of the markets in which it operates or an economic dependency on any of its major customers.

Property Investment

The Company has a significant investment in industrial and commercial property which is held for investment purposes. The properties adjoin the Company's existing food factories, adjacent to the rapidly developing Cockburn Central Town Centre and are ideally suited for further subdivision and development.

Currently the property investments are only partially developed. The balance of the land holding provides an opportunity to grow the Company's investment income.

Profit

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

Directors' Report

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

A summary of the reported profit result is shown below:

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Underlying net profit before tax		4,692	4,044	16.0%

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

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

The Company's after tax profit result also benefited from the reduction in the corporate tax rate to 26% (previously 27.5%) and a restatement of previous years' deferred tax liability to 25% (previously 27.5%).

Sales

Sales from the Company's food operations increased by 4.75% to \$35.5 million. The Company continues to pursue sales initiatives to provide for future revenue growth.

Financial Position

The Company's equity as at 30 June 2021 increased by 16.6%, compared with the prior year, to \$43.9 million. The net tangible asset backing per share was \$4.02 as at 30 June 2021.

DIVIDENDS PAID OR RECOMMENDED

Dividends paid or recommended for payment are as follows:

- Final ordinary dividend of 13.0 cents per share paid on 25 September 2020, as recommended in last year's report - \$1,398,848.
- Interim ordinary dividend at 12.0 cents per share paid on 26 March 2021 - \$1,293,643.
- Final ordinary dividend of 14.0 cents per share declared by the Directors - \$1,509,251, paid on 24 September 2021.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

A review of significant changes in the state of affairs is set out in the Chairman's Review on pages 3 and 4.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

BUSINESS STRATEGIES AND PROSPECTS

Food Operations

The Company continues to pursue a number of opportunities to increase sales and to provide for long term growth.

This growth strategy is driven around leveraging off the Company's existing customer base and manufacturing capabilities.

In addition to the sales growth strategy, the Company will continue to pursue profit growth by improving productivity and reducing costs. The continual improvement programme will be underpinned by further investment in innovation and technology.

During the year under review a total of \$0.94 million was invested in new and upgrading plant and equipment in the Company's food operations. The future benefits of these capital expenditure initiatives are expected to flow through to future years' profitability.

Property Investment

The Company will continue to pursue further opportunities to develop and create a cash flow from the remainder of the undeveloped land held.

Material Business Risk

The current global COVID-19 virus pandemic, together with the high cost of manufacturing in Australia and the globalisation of the world food industry are among the material business risks faced by the Company. The Company and the Australian food industry will need to remain competitive against lower cost overseas competitors. The Company is managing this risk by maintaining the strategy of being a niche market supplier while focusing on the quality, "clean and green" aspects of Australian food processing.

The Company has modern and flexible processing operations, and is therefore well placed to deal with any long term changes in the Australian market. The Company regularly reviews these risks in order to minimise any long term impact.

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

ENVIRONMENTAL ISSUES

The consolidated entity's operations are subject to environmental regulation under the Environmental Protection Act 1986.

The consolidated entity complied with the requirements of all relevant environmental regulations during the year.

INFORMATION ON DIRECTORS

Rodney G Moonen (Non-Executive Chairman & Company Secretary)(Director since 4 January 1988. Executive Chairman and Managing Director until 30 June 2019. Non-executive Chairman since 1 July 2019)

Qualifications and Experience

Bachelor of Business Studies (Curtin University)

Over 40 years' experience in management and finance.

Interest in Shares

Beneficial owner of 3,301,206 fully paid ordinary shares in the Company.

Directorships in other listed entities

During the three years prior to the end of the current year Mr Moonen has not held any directorships in any other listed company.

Directors' Report

Geoffrey W Nicholson (Managing Director) (Director since 2 September 1986. Executive Director until 30 June 2019. Managing Director since 1 July 2019)

Qualifications and Experience

Over 40 years' experience in the food processing industry.

Interest in Shares

Beneficial owner of 664,527 fully paid ordinary shares in the Company.

Directorships in other listed entities

During the three years prior to the end of the current year Mr Nicholson has not held any directorships in any other listed company.

Robert D Fraser (Independent Non-Executive Director) (Director since 14 October 2011)

Qualifications and Experience

B.Ec., LLB (Hons) (Sydney)

Corporate adviser and company director with over 30 years of investment banking experience. Robert is presently the Sydney based Managing Director of TC Corporate Pty Limited, the corporate advisory division of Taylor Collison Limited stockbrokers, of which he is also a Director and principal. He is also a licensed business broker and real estate agent.

Interest in Shares

Beneficial owner of 186,954 fully paid ordinary shares in the Company.

Directorships in other listed entities

During the three years prior to the end of the current year Mr Fraser also held non-executive directorships with ARB Corporation Limited (2004 to current), Magellan Financial Group Limited (2014 to current) and MFF Capital Investments Limited (2019 to current).

REMUNERATION REPORT

This report details the remuneration arrangements for key management, directors and executives of the F.F.I. Holdings Limited Consolidated entity.

Remuneration Policy

The remuneration policy of F.F.I. Holdings Limited is effectively controlled by the Board of Directors. The Board of F.F.I. Holdings Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the economic entity, as well as maintaining goal congruence between directors, executives and shareholders.

The remuneration structure for directors and executive officers is not directly related to the financial performance of the Group. A summary of the Group's financial performance over the past five years is presented on page 2 of this annual report. Remuneration is based on a number of factors, including qualifications, proven management skills and the experience of the individual concerned. Key management personnel are not employed on fixed term employment contracts. Terms and conditions of employment are covered by the relevant statutory legislation.

Non-Executive Directors receive Directors' fees and statutory superannuation (unless exempt) and do not receive any retirement benefits. Increases in aggregate Non-Executive Directors' fees are subject to shareholder approval. Executive Directors receive a combination of base salary, superannuation, fringe benefits and discretionary bonuses. Executives receive a combination of bases salary, superannuation, fringe benefits and discretionary bonuses.

Executive Directors and executives are also eligible to participate in the Company's Executive Share Plan upon an invitation being made from the Board.

The remuneration table below details the remuneration of directors and executives for the year ended 30 June 2021.

Additional information relating to Key Management Personnel can be found at Note 6 to the Financial Statements.

Key Management Personnel Remuneration Details

(a) Key management personnel are classified as directors and other key management personnel of the consolidated entity. Names and positions held of parent entity directors and specified executives in office at any time during the financial year are:

Directors

Rodney G Moonen	Non-Executive Chairman and Company Secretary
Geoffrey W Nicholson	Managing Director – Executive Director
Robert D Fraser	Independent Non-Executive Director

Other Key Management Personnel

Brett R Matthews	Group General Manager
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(b) Key Management Personnel Remuneration Table

2021

Name	Salary and Fees	Super annuation	Discretionary Bonus ¹	Non-Monetary Benefits ²	Long term benefits - LSL	Other	Total
	\$	\$		\$	\$	\$	\$
R G Moonen	75,000	25,000	-	-	-	-	100,000
G W Nicholson	210,045	21,454	50,000	-	3,501	-	285,000
R D Fraser	45,000	-	-	-	-	-	45,000
B R Matthews	200,912	19,086	50,000	-	3,349	2,369	275,716
Total	530,957	65,540	100,000	-	6,850	2,369	705,716

2020

Name	Salary and Fees	Super annuation	Discretionary Bonus ¹	Non-Monetary Benefits ²	Long term benefits - LSL	Other	Total
	\$	\$		\$	\$	\$	\$
R G Moonen	75,000	25,000	-	-	-	-	100,000
G W Nicholson	212,009	22,413	50,000	-	3,501	-	287,923
R D Fraser	43,048	1,952	-	-	-	-	45,000
B R Matthews	203,577	20,653	50,000	-	3,349	3,120	280,699
R G Strong³	35,765	7,503	-	-	599	102,150 ³	146,017
Total	569,399	77,521	100,000	-	7,449	105,270	859,639

1 Discretionary bonuses are paid at the discretion of the Board based on the KMP's individual performance, the overall performance of the company, the KMP's length of service and prior years' salary reviews.

2 Non monetary benefits are reportable fringe benefit payments.

3 Mr Robert Strong terminated his services with Tradition Smallgoods Pty Ltd on 4 October 2019. Included are:

Redundancy termination payments \$31,612

Accrued annual leave \$70,538

Accrued long service leave of \$63,519 was paid during the year but has been reported annually in long term benefits – LSL.

Directors' Report

(c) Loans

Name	Loan Balance 1/7/20	Interest Charged	Interest Not Charged (*)	Loan Balance 30/6/21	Highest Balance During Period
	\$	\$	\$	\$	\$
B R Matthews	53,905	-	2,369	44,798	53,905
Total	53,905	-	2,369	44,798	53,905

All loans were made pursuant to the Company's Executive Share Plan and were duly approved by shareholders.

(*) Loans are interest free and non-recourse. Loans are repaid from dividends paid on shares issued under the Executive Share Plan. Amounts for interest not charged have been estimated based upon likely interest payable if the loans had been made under normal commercial conditions.

(d) Shareholdings

Name	Balance 1/7/20	Net Change Other (^)	Balance 30/6/21
	No	No	No
R G Moonen	3,301,206	-	3,301,206
G W Nicholson	664,527	-	664,527
R D Fraser	144,954	2,000	146,954
B R Matthews	232,080	-	232,080
Total	4,342,767	2,000	4,344,767

(^) Net Change Other denotes shares purchased or sold during the financial year at current market rates, or shares allotted under the Company Dividend Reinvestment Plan.

(e) The Company's policy for determining the nature and amount of emoluments of board members and senior executives of the Company is as follows -

The remuneration structure for executive officers is not directly related to financial performance of the Group. It is based on a number of factors, including qualifications, proven management skills and the experience of the individual concerned.

(f) Other transactions with KMP and/or related parties.

There were no other transactions conducted between the Group and KMP or their related parties, other than those disclosed above relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonable expected under arm's length dealings with unrelated persons.

MEETINGS OF DIRECTORS

The number of meetings of Directors and the number of meetings attended by each of the Directors of the company during the financial year are:

Director	Number eligible to attend	Number attended
Rodney G Moonen	5	5
Geoffrey W Nicholson	5	5
Robert D Fraser	5	5

SHARE OPTIONS

No entity in the consolidated entity has granted an option to any person entitling that person to take up unissued shares of the entity or of any other body corporate.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

The Company has, during the financial year, in respect of any person who is or has been an officer of the Company or a related body corporate paid a premium in respect of Directors' and Officers' Liability Insurance which indemnifies the Directors and Officers of the Company for any claims made against the Directors and Officers of the Company, subject to the conditions contained in the insurance policy. The contract of insurance prohibits disclosure of the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for the auditors of the consolidated entity.

NON-AUDIT SERVICES

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001. Non-audit services were provided in the current year by the Company's auditors. The nature and scope of the non-audit services provided means that auditor independence was not compromised.

Non-audit services

Moore Australia Audit (WA) or their related entities received or are due to receive the following amounts for the provision of non-audit services.

	2021	2020
	\$	\$
Advisory services	11,250	15,000

Details of the auditor's remuneration are included in Note 7 to the Financial Statements.

DIRECTORS' BENEFITS

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the chief entity or a related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest, other than the benefits as disclosed in note 29 to the Financial Statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors and shown in the Company's accounts, or the fixed salary of a full-time employee of the chief entity, controlled entity, or related body corporate.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 12 of the Annual Report.

This report of the Directors, incorporating the Remuneration Report, is signed in accordance with the resolution of the Board of Directors.



R G Moonen

Dated this 29th day of September 2021.

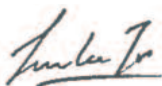


G W Nicholson

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FFI HOLDINGS LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- a) no contraventions of the auditor independence requirements as set out in *the Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



SUAN-LEE TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 29th day of September 2021.

The Board of F.F.I. Holdings Limited (the Company) is committed to high standards of corporate governance and supports the principles of good corporate governance as published in the third edition of Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council (3rd Edition recommendations).

This Corporate Governance Statement (Statement) outlines the key corporate governance practices of the Company as they relate to the 3rd Edition recommendations for the financial year. It is current as at 30 June 2021 and has been approved by the Board.

The Directors do not believe that any 3rd Edition recommendations that have been disclosed below as not having been adopted, in any way disadvantage the commercial effectiveness with which the Board operates. The Board remains clearly focused on maximising shareholder value in an ethically responsible manner and willingly adopts corporate governance best practice recommendations as the circumstances and needs of the Company require them.

PRINCIPLE 1: Lay solid foundations for management and oversight

1.1 The Board of Directors is responsible for ensuring the Company is managed in a manner that protects and enhances the interests of shareholders and takes into account the interests of all stakeholders. The responsibilities of the Board include:

- setting the strategic direction of the Company;
- overseeing and monitoring the Company's performance and achievement of strategic goals and objectives;
- approving major investment decisions and financial budgets;
- determining capital, funding and dividend policies;
- defining the limits to management's responsibilities;
- ensuring that the capital markets are informed of all relevant material matters;
- monitoring executives' performance against appropriate measures;
- ensuring appropriate risk management systems and internal controls are in place; and
- meeting formally and informally on a regular basis and reviewing management operational reports regarding the financial performance of the Company.

The Board has delegated to management the responsibility for the operation and administration of the Company, including the implementation of corporate strategies and the development of annual budgets. Management is responsible for keeping the Board informed, through the provision of management reports and monthly management accounts.

1.2 Before Directors are appointed, all necessary checks are undertaken by the Board. In addition, biographical details, as well as details pertaining to material directorships held, are included in election and re-election notices to shareholders. These details are also included in the Directors' Report in the Annual Report of the Company.

1.3 There is a written agreement with each Director and senior executive setting out the terms of their employment.

1.4 The Company Secretary is currently the Chairman of the Company and is therefore accountable directly to the Board.

1.5 The Board has not adopted a formal diversity policy or set measurable objectives based on diversity alone for reasons detailed in Principle 3 of this Statement.

Corporate Governance Statement

- 1.6 Board performance is open to evaluation by shareholders at the Annual General Meeting. It is self-appraised on a periodic basis. During June 2021 the Board undertook a performance review in accordance with this process and concluded that it had performed satisfactorily. At every Annual General Meeting one Director retires from office and is eligible to offer themselves for re-election. No Director may retain office for more than three years without submitting themselves for re-election.
- 1.7 Senior executive performance is reviewed by the Board annually. During the year ended 30 June 2021 the Board carried out a performance evaluation on all senior executives in accordance with this process.

PRINCIPLE 2: Structure the board to add value

- 2.1 The Board consists of three Directors. There is one executive Director who is the Managing Director and two non-executive Directors, one of whom is independent. The names, details and qualifications of the Directors are included in the Information on Directors section of the Directors' Report.

The current structure of the Board has been designed to provide the most effective composition, size and commitment from its members. The members have extensive experience and between them possess an extensive range of skills and knowledge and a wide diversity of capability. This ensures that the Board performs its function to the optimum and meets corporate governance standards that are relevant to the Company's current size and scope of operations.

Given the current size of the Company, the Board does not consider it appropriate to establish a nomination committee. The Board as a whole effectively performs this function.

- 2.2 Following a review of the requirements of the Company, the Board has identified the skills required of the members of the Board:

Skill	R Moonen	G Nicholson	R Fraser
Management Experience	•	•	•
Food Manufacturing	•	•	
Food Industry	•	•	
Property Industry	•		•
Business Development		•	
Financial Management	•		•
Risk Management	•	•	•
Corporate Finance			•
Legal			•
Directorships	•		•

- 2.3 As noted in 2.1, the Company presently has two non-executive Directors, one of whom is independent. Details of the Directors are included in the Information on Directors section of the Directors' Report, including the length of service of each Director.
- 2.4 In light of the Company's approach to board composition and function, the majority of the Board are not independent Directors.
- 2.5 The Chairman of the Board is a non-executive Director but is not an independent Director. The Board believes that the wealth of knowledge and expertise of the current Chairman and his interest in the Company as a substantial shareholder, make it appropriate for him to be Chairman.
- 2.6 The Company does not have a program for inducting new Directors or provide professional development opportunities for skills training. However, the necessary induction and training will be provided if and when required.

PRINCIPLE 3: Act ethically and responsibly

3.1 The Board has opted not to establish a formal code of conduct as it believes that a more effective means of enhancing shareholder returns and actively promoting ethical and responsible decision-making is for the Board and the senior management team to foster, through their own actions, an ethical corporate culture.

Similarly, the Board has not adopted a formal diversity policy or set measurable objectives based on diversity alone. Instead the Board believes that it has fostered and that the Company and its employees have a governance culture that encourages excellence and ethical business practices to enhance long term shareholder value, including the advancement of all employees in an ethical manner as appropriate irrespective of gender, age, ethnicity and cultural background.

The proportion of women employed by the consolidated entity in the following roles is as follows:

Board	0%
Senior management	16%
Consolidated entity	39%

The Company adheres to all ASX and Corporations Act requirements regarding the trading by Directors and employees of shares in the Company.

PRINCIPLE 4: Safeguard integrity in corporate reporting

4.1 The Company does not have an audit committee. All external audit reports are reviewed by the whole Board to ensure appropriate action is taken by management regarding any areas which are identified as a weakness in internal control. Accordingly the Board will:

- ensure that the external auditors who are selected and appointed remain appropriate to the needs of the Company;
- review the independence of the external auditors;
- ensure the rotation of external audit engagement partners is in accordance with regulatory requirements;
- review, with management and the auditors, the Company's periodic statutory accounts and reports;
- monitor procedures in place aimed at ensuring compliance with the Corporations Act and the ASX Listing Rules; and
- monitor the effective management of financial and other business risks.

4.2 The Managing Director and the Chief Financial Officer provide a declaration in writing to the Board that the Company's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company as required by section 295A of the Corporations Act for each reporting period. Their declaration states that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

4.3 The Company ensures that its external auditor attends the Annual General Meeting and is available to answer shareholder questions relevant to the audit.

Corporate Governance Statement

PRINCIPLE 5: Make timely and balanced disclosure

- 5.1 Given the current size of the Company, the Board does not consider it appropriate to have a written policy for compliance with its continuous disclosure obligations under the ASX Listing Rules. However, the Company complies with its ASX Listing Rules continuous disclosure obligations.

PRINCIPLE 6: Respect the rights of securityholders

- 6.1 Given the current size of the Company, the Board does not consider it necessary to have an investor relations section on its website. However, the Board believes that all relevant information about itself and its governance is available in the Annual Report and through the ASX.

- 6.2 The Board believes it has effective two way communication with investors, in that the Company:

- encourages attendance at the Annual General Meeting by all shareholders;
- complies and lodges all necessary statutory ASX announcements;
- fulfils its obligations of continuous disclosure through ASX announcements;
- distributes the Company's Annual Report to all shareholders;
- sends notices and explanatory memoranda to shareholders in relation to resolutions to be put to a vote.

- 6.3 The Annual General Meeting of the Company provides an opportunity for the Company to impart to shareholders a greater understanding of its business, governance, financial performance and prospects and gives shareholders the opportunity to express their views on matters concerning the Company and to vote on other items of business for resolution by shareholders. The Company's policy is to encourage effective shareholder participation at general meetings.

Shareholders unable to attend general meetings can exercise their right to ask questions about, or make comments on, the management of the Company by submitting questions or comments ahead of the meeting. Where appropriate these questions will be responded to at the meeting.

- 6.4 The Company provides shareholders with the option of receiving communications from, and sending communications to, its share registry electronically.

PRINCIPLE 7: Recognise and manage risk

- 7.1 The Company does not have a committee to oversee risk. In view of the size and structure of the Board, the risk management framework is overseen by the senior management team and the whole Board. Business risks and internal control procedures are identified, assessed, monitored and overseen by the Board and the Company's senior management team by considering such matters as part of regular Board and senior management meetings.

- 7.2 Senior management and the Board regularly consider the risk management framework and are satisfied that it continues to be sound.

- 7.3 The Company does not have an internal audit function. Instead, monthly management reports are prepared by senior management within the Company, identifying relevant areas of risk and internal control. These reports are circulated to Board members, where applicable, for them to evaluate and to continue to improve the effectiveness of the risk management framework and internal control processes.

Corporate Governance Statement

7.4 The Board has identified a number of areas which pose a risk to the business and has implemented strategies to mitigate these risks as follows:

Risk Identified	Strategy to minimise risk
Product recall	Quality Assurance department Product liability insurance
Loss of major customer	Diversify customer base
WH&S	Safety policies, procedures and training Workers' compensation insurance
Loss of key supplier	Evaluate alternate suppliers
Currency	Forward buying
Key personnel	Succession planning

PRINCIPLE 8: Remunerate fairly and responsibly

8.1 Given the current size of the Company, the Board does not consider it appropriate to establish a remuneration committee. The Board as a whole effectively performs this function. Remuneration levels are based on skills, knowledge, experience, education, length of service, industry salary and remuneration levels and retention. Remuneration is reviewed annually for executive Directors, non-executive Directors and senior management to ensure that it remains appropriate.

8.2 The independent non-executive Director is remunerated by way of fees and statutory superannuation and does not receive any retirement benefits. This remuneration is in line with the responsibilities, duties and risks involved in the role. Total remuneration to any non-executive Directors is restricted in terms of the remuneration cap, which is reviewed annually and is subject to shareholder approval for increased limits.

Additional information with respect to remuneration, including separate disclosure of policies and practices regarding the remuneration of non-executive Directors, executive Directors and other senior key management, is provided in the Remuneration Report in the Company's Annual Report.

8.3 The Company does not presently have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the Executive Share Plan (the Company's equity-based remuneration scheme) because the existing loans under that plan are not considered to be material. However, any shares issued under the Executive Share Plan in the future will be considered on a case by case basis.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue from continuing operations	2	37,297,337	35,389,434
Other income	2	6,831,529	358,997
Changes in inventories of finished goods and work in progress		579,444	599,525
Raw materials and consumables used		(18,426,579)	(17,325,095)
Employee benefits expense		(7,900,100)	(7,773,244)
Depreciation and amortisation expense	3	(798,942)	(727,471)
Repairs and maintenance expense		(960,297)	(1,058,523)
Freight expense		(1,319,571)	(1,381,666)
Finance costs	3	-	(106,679)
Other expenses		(3,721,876)	(3,318,154)
Profit before income tax from continuing operations		11,580,945	4,657,124
Income tax expense			
Current year income tax	4	(2,994,190)	(1,218,946)
Current year income tax adjustment for change in tax treatment of non-current assets	4	(285,632)	-
Income tax benefit on restatement of deferred tax liabilities due to change in the Company's tax rate from 27.5% to 25% on 1 July 2021	4	422,167	-
Profit after tax from continuing operations		8,723,290	3,438,178
Discontinued operations			
Profit/(loss) from discontinued operations after tax	5	-	137,107
Profit for the period		8,723,290	3,575,285
Other comprehensive income for the period			
Items that will not be reclassified to profit or loss:			
Net gain on revaluation of land and buildings		-	479,031
Movement in reserve due to changes in the Company's tax rate		120,285	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of tax		120,285	479,031
Total comprehensive income for the period		8,843,575	4,054,316
Net profit attributable to:			
Members of the parent entity		8,723,290	3,575,285
		8,723,290	3,575,285
Total comprehensive income attributable to:			
Members of the parent entity		8,843,575	4,054,316
		8,843,575	4,054,316
Basic earnings per share (cents per share)	9(a)	81.0	33.2
Basic earnings per share from continuing operations (cents per share)	9(b)	81.0	31.9
Basic earnings per share from discontinued operations (cents per share)	9(c)	-	1.3

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT THE 30TH JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	10	5,463,450	2,182,169
Trade and other receivables	11	5,050,283	5,492,284
Inventories	12	7,279,404	6,737,651
Other current assets	18	458,298	299,778
TOTAL CURRENT ASSETS		18,251,435	14,711,882
NON-CURRENT ASSETS			
Trade and other receivables	11	222,204	249,495
Financial assets	13	71,536	71,536
Property, plant and equipment	15	14,833,589	13,363,073
Investment property	16	20,478,906	20,478,906
Intangible assets	17	552,762	552,762
Deferred tax assets	22	318,236	340,509
TOTAL NON-CURRENT ASSETS		36,477,233	35,056,281
TOTAL ASSETS		54,728,668	49,768,163
CURRENT LIABILITIES			
Trade and other payables	19	2,820,441	4,182,610
Advance received	20	-	1,467,029
Current tax liabilities	22	471,003	290,008
Short-term provisions	23	919,948	779,369
TOTAL CURRENT LIABILITIES		4,211,392	6,719,016
NON-CURRENT LIABILITIES			
Trade and other payables	19	38,564	41,564
Deferred tax liabilities	22	6,613,197	5,403,152
TOTAL NON-CURRENT LIABILITIES		6,651,761	5,444,716
TOTAL LIABILITIES		10,863,153	12,163,732
NET ASSETS		43,865,515	37,604,431
EQUITY			
Contributed equity	24	19,939,268	19,829,268
Reserves	25	4,372,908	4,252,623
Retained earnings		19,553,339	13,522,540
Parent interest		43,865,515	37,604,431
TOTAL EQUITY		43,865,515	37,604,431

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

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

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		37,304,964	36,872,788
Payments to suppliers and employees		(33,573,343)	(33,522,156)
Dividends received		1,422	1,422
Interest received		492,546	276,561
Finance costs		-	(106,679)
Income tax refunded/(paid)		(1,324,057)	(1,218,329)
Net cash provided by (used in) operating activities	27	2,901,532	2,303,607
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	1,266,951
Proceeds from MRWA for investment land taken		-	170,000
Proceeds from MRWA for costs recovered		-	15,000
Proceeds from MRWA for land taken	21	4,505,000	5,441,000
Purchase of property, plant and equipment		(1,322,200)	(1,925,624)
Own use property development costs		(147,352)	(231,429)
Investment property development costs		-	(8,094)
Net cash provided by (used in) investing activities		3,035,448	4,727,804
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of employee share loans		27,291	25,108
Proceeds from issue of shares		12,501	-
Repayment of borrowings		-	(4,500,000)
Repayment of bond		(3,000)	-
Dividends paid by parent entity		(2,692,491)	(2,474,884)
Net cash provided by (used in) financing activities		(2,655,699)	(6,949,776)
Net increase (decrease) in cash held		3,281,281	81,635
Cash at 1 July 2020		2,182,169	2,100,534
Cash at 30 June 2021	10	5,463,450	2,182,169

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of F.F.I. Holdings Ltd and controlled entities ('Consolidated Entity'), and the separate financial information (note 32) of F.F.I Holdings Ltd as an individual parent entity ('Parent Entity').

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

The financial statements were authorised for issue on 29 September 2021 by the Directors of the Company.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. All monetary amounts in the financial report are stated in Australian dollars.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The functional currency of the Group is Australia dollar.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. New and Amended Accounting Policies Adopted by the Group

AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6: Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b. Principles of Consolidation

A controlled entity is any entity over which F.F.I. Holdings Limited is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

A list of controlled entities is contained in Note 14 to the financial statements. All controlled entities have a 30 June financial year-end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Non-controlling interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

Business combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Revenue

Revenue recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers as this corresponds to the transfer of significant risk and rewards of ownership and the cessation of all involvement in those goods.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established, generally when the dividend is declared.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Any lease incentives granted are recognised as an integral part of total rental income, over the term of the lease.

e. Financial Instruments

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

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

The Group subsequently measures all equity investments at fair value. The Group has not elected to present fair value gains and losses on equity investments in OCI, where there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per AASB 139. To reflect changes in credit risk, this expected credit loss model requires the Group to account for expected credit loss since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

f. Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the first in first out basis.

g. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, valuations by directors, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant and equipment

Plant and equipment are brought to account at cost.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows are discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets, including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation/amortisation rates used for each class of assets are:

Class of Fixed Assets	Depreciation Rate
Building	2.5%
Plant and equipment	5-25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

h. Investment Property

Investment property comprises land held for future development and/or resale. Investment property is carried at fair value determined annually by Directors and/or independent licensed valuers. Changes to fair value are recorded in the income statement as other income.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties, in an arms-length transaction, based on highest and best use of the property.

Fair value is based on current prices in an active market, adjusted if necessary for any difference in the nature, location or condition of the specific property. The group uses alternative valuation methods such as the capitalisation of rental income method where appropriate.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains a lease or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group as lessor

The Group leases industrial and commercial properties owned by the Group.

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease.

A contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example, legal cost and costs to set up equipment) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases is recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15: Revenue from Contracts with Customers to allocate the consideration under the contract to each component.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared with the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

k. Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Trademarks and Licences

Patent, trademarks and licences are recognised at cost of acquisition. These assets are assessed as having an indefinite useful life. These intangibles are tested annually for impairment and carried at cost less accumulated impairment losses. At each reporting date, the Group reviews the useful life of these assets.

l. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Superannuation

Contributions are made to superannuation funds on behalf of employees and are charged as expenses when incurred.

m. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that an outflow can be reliably measured.

n. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Consolidated Statement of Financial Position.

o. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit loss (ECL). Refer to Note 1(e) for further discussion on the determination of expected credit loss.

p. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days from end of month of recognition of the liability.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

r. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

s. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

t. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

(i) Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) Investment Property

A key estimate in the financial statements was made in relation to the value of investment property (refer Note 16). The fair value of investment property as at 30 June 2021 was based on an assessment by the Directors which incorporated a valuation by an independent licensed valuer made during the financial year ended 30 June 2018. As at 30 June 2021 the Directors believe the value assessed for the year ended 30 June 2021 is in accordance with the Director's valuation, and new acquisitions during the financial year, which are included at cost.

(iii) Land Held for Own Use

A key estimate in the financial statements was made on the Land Held for Own Use. A Directors' valuation was undertaken on 30 June 2021 on land held for own use. The valuation was based on an assessment by Directors of the property's current active open market value. (Refer to Note 15 for further information).

(iv) Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of Directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the Directors' best estimate, pending an assessment by the Australian Taxation Office.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

v. New standards and interpretations issued but not yet effective

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2021 but have not been applied in preparing this financial report. Except where noted, the Group has evaluated the impact of the new standards and interpretations listed below and determined that the changes are not likely to have a material impact on its financial statements.

AASB2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

The amendments require a liability be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period. AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.

Application date of Standard: 1 January 2023

Application date for Group: 1 July 2023

AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates

The amendments provide a definition of and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies.

Application date of Standard: 1 January 2023

Application date for Group: 1 July 2023

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

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

Disaggregation of revenue from contracts with customers

In the following table, segmental revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition.

	Continuing operations			Discontinued operations	
	Bakery Segment \$	Investment Property \$	Unallocated \$	Total \$	Smallgoods Segment \$
2021					
Primary geographical markets					
Australia	35,510,415	1,189,879	7,428,572	44,128,866	-
Timing of revenue recognition					
At a point in time	35,510,415	-	6,831,529	42,341,944	-
Over time	-	1,189,879	597,043	1,786,922	-
	35,510,415	1,189,879	7,428,572	44,128,866	-

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: REVENUE AND OTHER INCOME (continued)

	Continuing operations			Discontinued operations	
	Bakery Segment	Investment Property	Unallocated	Total	Smallgoods Segment
	\$	\$	\$	\$	\$
2020					
Primary geographical markets					
Australia	33,901,001	1,488,775	358,655	35,748,431	2,008,661
Timing of revenue recognition					
At a point in time	33,901,001	358,997	-	34,259,998	1,954,556
Over time	-	1,129,778	358,655	1,488,433	54,105
	33,901,001	1,488,775	358,655	35,748,431	2,008,661
				2021	2020
				\$	\$

NOTE 3: PROFIT/(LOSS) FOR THE YEAR

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

a. Expenses

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

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

Following recent amendments to Australian corporate tax rate, a gradual reduction in the company tax rate from 30% to 25% by 30 June 2022 will apply as follows:

- Companies with turnover under \$50m will pay tax at 27.5% from the 2019-20 financial year;
- Companies with turnover under \$50m will pay tax at 26% from the 2020-21 financial year;

Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The tax rate used in the reconciliation above is the corporate tax rate of 26% (2020: 27.5%) payable by Australian Companies with an aggregate turnover under \$50 million in financial year ended 30 June 2021. For financial year ended 2022, all companies with aggregate turnover under \$50 million will be taxed at 25% tax rate.

Notes to the Consolidated Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
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NOTE 5: DISCONTINUED OPERATIONS

On 2 September 2019, the Consolidated Group announced its decision to dispose of Tradition Smallgoods, thereby discontinuing its operations in the smallgoods business segment.

The business was sold on 20 September 2019.

Financial information relating to the discontinued operation is set out below.

The financial performance of the discontinued operation is included in profit/(loss) from discontinued operations per the consolidated statement of profit or loss and other comprehensive income and is as follows:

Revenue	-	1,739,731
Gain on sale of non-current assets	-	268,930
Expenses	-	(1,819,613)
Profit before income tax	-	189,048
Profit attributable to owners of the Parent Entity	-	189,048
Profit on discontinued operations before income tax	-	189,048
Income tax expense	-	(51,941)
Profit on discontinued operations after income tax	-	137,107
Total profit after tax attributable to the discontinued operation	-	137,107

The net cash flows of the discontinued business which have been incorporated into the statement of cash flows are as follows:

Net cash inflow from operating activities	-	259,626
Net cash inflow/(outflow) from investing activities	-	1,266,952
Net cash inflow from financing activities	-	33,734
Net increase in cash generated by the discontinued business	-	1,560,312

Gain on disposal of the business included in gain from discontinued operations per the statement of profit or loss and other comprehensive income.

- 137,107

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the remuneration report contained in the Director's report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2021.

The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:

	2021 \$	2020 \$
Short-term employee benefits	630,957	669,339
Post-employment benefits	65,540	77,521
Other long-term benefits	6,850	7,449
Other benefits	2,369	105,270
	705,716	859,639

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

Short term benefits:

These amounts include fees paid to non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits:

These amounts are superannuation contributions made during the year.

Other long-term benefits:

These amounts represent long service leave benefits accruing during the year.

Further information in relation to KMP remuneration can be found in the Directors' report.

	2021 \$	2020 \$
NOTE 7: AUDITORS' REMUNERATION		
Remuneration of the auditors of the parent entity for:		
— auditing or reviewing the financial report	53,588	56,000
— advisory services	11,250	15,000
	64,838	71,000

NOTE 8: DIVIDENDS

Final fully franked ordinary dividend of 13.0 cents per share franked at the rate of 26% (2020: 27.5%) paid on 25 September 2020

1,398,848 1,291,244

Interim fully franked ordinary dividend of 12.0 cents per share franked at the rate of 26% (2020: 27.5%) paid on 26 March 2021

1,293,643 1,183,641

2,692,491 2,474,885

(a) Final fully franked ordinary dividend of 14.0 cents per share franked at 25% (2020: 26%) paid on 24 September 2021, not brought into account in the financial statements.

1,509,251 1,398,848

(b) Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables and franking debits arising from payment of proposed dividends

1,795,213 1,541,838

Subsequent to year end, the franking account would be reduced by the proposed dividend per 8(a) above.

(503,084) (530,597)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 9: EARNINGS PER SHARE		
(a) Reconciliation of earnings to profit or loss		
Profit	8,723,290	3,575,285
Earnings used to calculate basic and diluted EPS	8,723,290	3,575,285
(b) Reconciliation of earnings to profit or loss from continuing operations		
Profit	8,723,290	3,438,178
Earnings used to calculate basic and diluted EPS	8,723,290	3,438,178
(c) Reconciliation of earnings to profit or loss from discontinued operations		
Profit	-	137,107
Earnings used to calculate basic and diluted EPS	-	137,107
	2021 No	2020 No
(d) Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	10,772,970	10,760,367
Weighted average number of options outstanding	-	-
Weighted average number of converting preference shares on issue	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	10,772,970	10,760,367

	2021 \$	2020 \$
NOTE 10: CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	5,463,450	2,182,169
	5,463,450	2,182,169
Reconciliation of cash		
Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to items in the Consolidated Statement of Financial Position as follows:		
Cash and cash equivalents	5,463,450	2,182,169
	5,463,450	2,182,169

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 11: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	4,981,244	5,177,852
Less: Provision for expected credit loss	-	-
		5,177,852
Other receivables	69,039	314,432
	5,050,283	5,492,284

Aging of gross carrying amounts due

0-30 days	2,916,102	3,076,994
30-60 days	1,839,575	2,012,704
60-90 days	221,839	224,572
90+ days	72,767	178,014
Provision for expected credit loss	-	-
Total	5,050,283	5,492,284

The provision for expected credit loss as at 30 June 2021 is determined as tabled above; the expected credit losses also incorporate forward-looking information.

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9: *Financial Instruments*.

	Opening balance under AASB 139 1 July 2019 \$	Adjust- ment for AASB 9 \$	Net measure- ment of loss allowance \$	Closing balance 30 June 2020 \$
a. Lifetime Expected Credit Loss: Credit Impaired				
(i) Current trade receivables	-	-	-	-
	-	-	-	-

	Opening balance under AASB 139 1 July 2020 \$	Net measure- ment of loss allowance \$	Amounts written off \$	Closing balance 30 June 2021 \$
a. Lifetime Expected Credit Loss: Credit Impaired				
(i) Current trade receivables	-	-	-	-
	-	-	-	-

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: TRADE AND OTHER RECEIVABLES (continued)

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. As noted above, the lifetime ECL allowance is Nil.

Credit risk - Receivables

The group has significant concentrations of credit risk with respect to a number of major customers of the Group (Refer Note 26(v)). The balances of receivables that relate to these major customers are considered to be of high credit quality. The class of assets described as receivables is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group has 100% of its credit risk exposure in Australia.

The tables above detail the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided thereon. Amounts are considered as 'past due' when the debt has not been settled. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor (where applicable) and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two or more years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

Collateral held as security

Collateral has been received from a number of debtors of the Company in the form of a financial directors' guarantee.

	2021 \$	2020 \$
NON-CURRENT		
F.F.I. Holdings Ltd Executive Share Plan – refer to remuneration note for loans	222,204	249,495
	<u>222,204</u>	<u>249,495</u>

NOTE 12: INVENTORIES

CURRENT

At cost:

Raw materials and stores	4,898,977	4,936,669
Finished goods	2,380,427	1,800,982
	<u>7,279,404</u>	<u>6,737,651</u>

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 13: FINANCIAL ASSETS		
Financial assets comprise:		
Shares in unlisted corporations	71,536	71,536
	71,536	71,536

NOTE 14: INTEREST IN SUBSIDIARIES

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

Name of Subsidiary	Principal Place of Business	Ownership Interest held by the Group	
		2021 %	2020 %
Fresh Food Industries Pty Ltd	Perth, Western Australia	100	100
Chocolate Products of Australia Pty Ltd	Perth, Western Australia	100	100
Prepect Australia Pty Ltd	Perth, Western Australia	100	100
Danburn Holdings Pty Ltd (formerly Traditions Smallgoods Pty Ltd)	Perth, Western Australia	100	100

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

	2021 \$	2020 \$
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NOTE 15: PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS

Freehold land at:

Fair value	5,212,500	5,212,500
TOTAL LAND	5,212,500	5,212,500

BUILDINGS

Fair value	2,526,017	1,998,385
Accumulated depreciation	(930,561)	(882,511)
TOTAL BUILDINGS	1,595,456	1,115,874
TOTAL LAND AND BUILDINGS	6,807,956	6,328,374

PLANT AND EQUIPMENT

At cost	16,473,520	14,731,696
Accumulated depreciation	(8,447,887)	(7,696,997)
TOTAL PLANT AND EQUIPMENT	8,025,633	7,034,699
TOTAL PROPERTY PLANT AND EQUIPMENT	14,833,589	13,363,073

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (continued)

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

(a) Movements in Carrying Amounts

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

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

	2021 \$	2020 \$
(b) If land and buildings were stated at historical cost, amounts would be as follows:		
Cost	2,752,098	2,224,464
Accumulated depreciation	(930,563)	(882,511)
Net Book Value	1,821,535	1,341,953

NOTE 16: INVESTMENT PROPERTY

Balance at beginning of year	20,478,906	22,955,817
Land sold – MRWA land taking	-	(139,613)
MRWA advance	-	(2,674,003)
Property acquired	-	-
Fair value adjustments	-	328,611
Property development costs	-	8,094
Provision for depreciation	-	-
Balance at end of year	20,478,906	20,478,906

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 17: INTANGIBLE ASSETS		
Goodwill at cost	350,232	350,232
Accumulated impaired losses	-	-
Net carrying value	350,232	350,232
Patents, trademarks and licences at cost	200,000	200,000
Accumulated amortisation	-	-
Net carrying value	200,000	200,000
Other at cost	2,530	2,530
Net carrying value	2,530	2,530
Total intangibles	552,762	552,762

Economic Entity

	Goodwill \$	Trademark & Licences \$	Other at Cost \$	Total \$
Year ended 30 June 2021				
Balance at the beginning of the year	350,232	200,000	2,530	552,762
Additions	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Disposals	-	-	-	-
Amortisation charge	-	-	-	-
Impairment losses	-	-	-	-
Closing carrying value at 30 June 2021	350,232	200,000	2,530	552,762
Year ended 30 June 2020				
Balance at the beginning of the year	350,232	200,000	2,530	552,762
Additions	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Disposals	-	-	-	-
Amortisation charge	-	-	-	-
Impairment losses	-	-	-	-
Closing carrying value at 30 June 2020	350,232	200,000	2,530	552,762

Intangible assets and goodwill have indefinite useful lives.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 17: INTANGIBLE ASSETS (continued)

Impairment Disclosures

Goodwill, Trademark and Licences are allocated to cash-generating units which are based on the Group's reporting segments.

	2021 \$	2020 \$
Bakery segment	550,232	550,232
Total	550,232	550,232

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period. The cash flows are discounted using the yield of 10-year government bonds at the beginning of the budget period.

The following assumptions were used in the value-in-use calculations:

	Growth Rate	Discount Rate
Bakery segment	2.5%	11%

Management has based the value-in-use calculations on current year profits for each reporting segment. Value-in-use calculations are based on assumed growth rate, and discount rates are adjusted to incorporate risks associated with a particular segment. All amounts used in value-in-use calculations are pre-tax.

Sensitivity to Changes in Assumptions

Even if the value-in-use calculations factored both a growth rate of nil% p.a. and an increase to the discount rate of 2%, the existing book value of the intangible assets would still not be impaired.

	2021 \$	2020 \$
NOTE 18: OTHER ASSETS		
CURRENT		
Prepayments	458,298	299,778

NOTE 19: TRADE AND OTHER PAYABLES

CURRENT		
Unsecured liabilities	2,820,441	4,182,610
NON-CURRENT		
Security bond – lease property	38,564	41,564

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 20: ADVANCE RECEIVED		
Advanced monies received from MRWA for compensation	-	1,467,029
During the previous year the Company received \$5,441,000 from Main Roads Western Australia (MRWA), this being an advanced payment for the land taking, to be offset against the final entitlement to compensation.		
Balance is comprised of:		
Total advance received from MRWA	-	5,441,000
Less transfers to assets subject to advance:		
- Investment property	-	2,674,003
- Own use property	-	440,468
- Plant and equipment	-	799,906
- Recoverable costs	-	59,594
	-	3,973,971
Total	-	1,467,029

NOTE 21: COMPENSATION MONIES RECEIVED

The Company received a total amount of \$9,946,000 from Main Roads Western Australia (MRWA), this being compensation monies for full and final settlement for land taken.

Monies were received as follows:

— Advance received from MRWA	-	5,441,000
— Second and final payment received from MRWA	4,505,000	-

NOTE 22: TAX

(a) Liabilities

CURRENT

Income tax payable (receivable)	471,003	290,008
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NON-CURRENT

Deferred tax liability comprises:

Tax allowances relating to property, plant and equipment	1,935,638	257,838
Revaluation adjustments taken directly to equity	1,202,854	1,323,139
Fair value gain adjustments	3,474,705	3,822,175
Total	6,613,197	5,403,152

(b) Assets

Deferred tax assets comprise:

Other	-	-
Provisions	318,236	340,509
Total	318,236	340,509

Notes to the Consolidated Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 22: TAX (continued)		
(c) Reconciliations		
(i) Gross Movements		
The overall movement in the deferred tax account is as follows:		
Opening balance	(5,062,643)	(4,992,242)
Credited/(charged) to income statement	(1,352,603)	(46,279)
Charge to equity	120,285	(24,122)
Closing balance	(6,294,961)	(5,062,643)
(ii) Deferred Tax Liability		
The movement in deferred tax liability for each temporary difference during the year is as follows:		
Tax allowances relating to property, plant and equipment		
Opening balance	257,838	299,447
Credited/(charged) to the income statement	1,677,800	(41,609)
Closing balance	1,935,638	257,838
Tangible assets revaluation adjustments taken directly to equity		
Opening balance	1,323,139	1,299,017
Net revaluations during the current period	(120,285)	24,122
Closing balance	1,202,854	1,323,139
Fair value gain adjustment		
Opening balance	3,822,175	3,764,637
Credited/(charged) to the income statement	(347,470)	57,538
Closing balance	3,474,705	3,822,175
(iii) Deferred Tax Assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Provisions		
Opening balance	340,509	370,859
Credited/(charged) to the income statement	(22,273)	(30,350)
Closing balance	318,236	340,509

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23: PROVISIONS

	Employee Entitlements 2021 \$	Employee Entitlements 2020 \$
Economic Entity		
Opening balance at 1 July	779,369	1,146,078
Additional provisions	140,579	27,647
Amounts used/paid	-	(394,356)
Balance at 30 June	919,948	779,369

Provision for Long-term Employee benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 of the financial statements.

	2021 \$	2020 \$
Analysis of Total Provisions		
Current	919,948	779,369
Non-current	-	-
	919,948	779,369

NOTE 24: ISSUED CAPITAL

Issued and Paid Up Capital		
10,780,367 (2020: 10,760,367) fully paid ordinary shares	19,939,268	19,829,268
(a) Ordinary shares	No	No
At the beginning of reporting period	10,760,367	10,760,367
Shares issued during year:		
13 November 2020	20,000	-
At reporting date	10,780,367	10,760,367

The Group does not have a current on-market share buy-back.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Capital Management

The Board and management control the capital of the Group in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 24: ISSUED CAPITAL (continued)

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Note	2021 \$	2020 \$
Total borrowings		-	-
Less cash and cash equivalents	10	(5,463,450)	(2,182,169)
Net debt		(5,463,450)	(2,182,169)
Total equity		43,865,515	37,604,431
Total capital		38,402,065	35,422,262
Gearing ratio		0%	0%

NOTE 25: RESERVES

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

Asset Revaluation Reserve

Opening balance	4,252,623	3,773,592
Movements during the year	120,285	479,031
	4,372,908	4,252,623

NOTE 26: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold;
- the manufacturing process; and
- the type or class of customer for the products.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

Note 26: OPERATING SEGMENTS (continued)

Types of products and services by segment

(i) Bakery Segment

This segment manufactures a wide range of predominantly bakery and home cooking needs food products for distribution to a diverse customer base.

(ii) Smallgoods Segment

This segment manufactured a wide range of smallgoods products for distribution to a diverse customer base and was discontinued in September 2019.

(iii) Investment Property

This segment manages the Company's industrial/commercial land which is held for investment purposes. This segment does not include land held for the Company's own use.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-entity sales. This price is re-set quarterly and is based on what would be realised in the event the sale was made to an external party at arm's-length. All such transactions are eliminated on consolidation for the Groups financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- net gains on disposal of available-for-sale investments;
- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities; and
- discontinued operations.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

Note 26: OPERATING SEGMENTS (continued)

Segment performance – continuing operations

	Bakery Segment \$	Investment Property \$	Total \$
2021			
Revenue			
External sales	35,510,415	-	35,510,415
Rent	-	1,189,879	1,189,879
Inter-segment sales	-	-	-
Total segment revenue	35,510,415	1,189,879	36,700,294
<i>Reconciliation of segment revenue to Group revenue</i>			
Other revenue - Unallocated (refer Note 2)			6,831,529
Unallocated revenue			597,043
Total group revenue			44,128,866
Segment net profit before tax	4,332,517	1,189,879	5,522,396
<i>Reconciliation of segment result to Group net profit/(loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
Unallocated items:			
• Other			6,058,549
Net profit before tax from continuing operations			11,580,945

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

Note 26: OPERATING SEGMENTS (continued)

Segment performance – continuing operations

	Bakery Segment \$	Investment Property \$	Total \$
2020			
Revenue			
External sales	33,901,001	-	33,901,001
Rent	-	1,129,778	1,129,778
Inter-segment sales	-	-	-
Other revenue	-	358,997	358,997
Total segment revenue	33,901,001	1,488,775	35,389,776
<i>Reconciliation of segment revenue to Group revenue</i>			
Unallocated revenue			358,655
Total group revenue			35,748,431
Segment net profit before tax	4,138,135	1,382,096	5,520,231
<i>Reconciliation of segment result to Group net profit/(loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
Unallocated items:			
• Other			(863,107)
Net profit before tax from continuing operations			4,657,124

Segment performance – discontinued operations

	Smallgoods Segment \$	Total \$
2020		
Revenue		
External sales	1,685,626	1,685,626
Inter-segment sales	-	-
Other revenue	268,930	268,930
Total segment revenue	1,954,556	1,954,556
<i>Reconciliation of segment revenue to Group revenue</i>		
Unallocated revenue		54,105
Total group revenue		2,008,661
Segment net profit before tax	189,048	189,048
<i>Reconciliation of segment result to Group net profit/(loss) before tax</i>		
Amounts not included in segment result but reviewed by the Board:		
Unallocated items:		
• Other		-
Net profit before tax from discontinued operations		189,048

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

Note 26: OPERATING SEGMENTS (continued)

(ii) Segment assets

	Bakery Segment \$	Investment Property \$	Total \$
2021			
Segment assets	21,076,355	20,478,906	41,555,261
Segment asset increases for the period:			
• capital expenditure	941,918	-	941,918
• acquisitions	-	-	-
	941,918	-	941,918
<i>Reconciliation of segment assets to Group assets</i>			
Inter-segment eliminations			
Unallocated assets:			
• Land and buildings			6,807,956
• Cash and cash equivalents			4,776,893
• Other			1,588,558
Total group assets from continuing operations			54,728,668

	Bakery Segment \$	Smallgoods Segment \$	Investment Property \$	Total \$
2020				
Segment assets	20,309,435	20,478,906		40,788,341
Segment asset increases for the period:				
• capital expenditure	1,066,032	239,524		1,305,556
• acquisitions	-	-		-
	1,066,032	239,524		1,305,556
<i>Reconciliation of segment assets to Group assets</i>				
Inter-segment eliminations				
Unallocated assets:				
• Land and buildings				6,328,374
• Cash and cash equivalents				1,762,453
• Other				888,995
Total group assets from continuing operations				49,768,163

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

Note 26: OPERATING SEGMENTS (continued)

(iii) Segment liabilities

	Bakery Segment \$	Investment Property \$	Total \$
2021			
Segment liabilities	19,985,442	3,666,631	23,652,073
<i>Reconciliation of segment liabilities to Group liabilities</i>			
Inter-segment eliminations			(12,788,920)
Total Group liabilities from continuing operations			10,863,153

	Bakery Segment \$	Smallgoods Segment \$	Investment Property \$	Total \$
2020				
Segment liabilities	19,133,548	4,032,438		23,165,986
<i>Reconciliation of segment liabilities to Group liabilities</i>				
Inter-segment eliminations				(11,002,253)
Total Group liabilities from continuing operations				12,163,733

(iv) Geographical Segments

The Group's business segments operate entirely within the one geographical segment of Australia.

(v) Major Customers

The Group has a number of customers to which it provides products. The Group supplies two external customers in the bakery segment which accounted for the following % of total external revenue:

Customer 1	12% (2020: 15%)
Customer 2	9% (2020: 10%)

The next most significant customer accounts for 7% (2020: 9%) of external revenue. Refer Note 11 and Note 28 for policies on credit risk management.

(vi) MRWA Transactions

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

Notes to the Consolidated Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 27: CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with operating profit from ordinary activities after income tax		
Profit from ordinary activities after income tax	8,723,290	3,575,285
Less compensation income for land taken - MRWA	(6,099,850)	-
Non-cash flows in profit from ordinary activities:		
Depreciation	798,942	753,199
(Profit)/Loss on sale of property, plant and equipment	-	(268,930)
Increase to asset revaluation reserve due to income tax change in the Company's tax rate from 27.5% to 25% on 1 July 2021	120,285	-
Changes in assets and liabilities:		
(Profit)/Loss on sale of investment land	(528,977)	(30,386)
Revaluation of investment land	-	(328,611)
(Profit)/Loss on sale of own use land	(202,702)	-
Non cash shares issued	97,499	-
Non cash legal costs	59,594	-
Decrease/(Increase) in trade and other receivables	442,001	32,490
Decrease/(Increase) in prepayments	(158,520)	(37,968)
Decrease/(Increase) in inventories	(541,753)	(2,135,719)
Increase/(Decrease) in creditors and accruals	(1,362,169)	1,058,400
Increases/(Decrease) in provisions	140,579	(366,709)
Decrease/(Increase) in deferred tax asset	22,273	30,350
Increase/(Decrease) in income tax payable	180,995	3,595
Increase/(Decrease) in deferred tax payable	1,210,045	18,611
Cash flow from operations	2,901,532	2,303,607

Credit Standby Arrangements with Banks

Credit facility	-	-
Amount utilised	-	-
Amount unutilised	-	-

(b) Disposal of Entities

No entities were disposed of during the year.

(c) Acquisition of Entities

No entities were acquired during the year.

(d) Non-cash Financing and Investing Activities

(i) Share Issues

During the year, 20,000 ordinary shares were issued, including 17,727 ordinary shares issued for nil cash as part of employee remuneration.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 28: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries. The Group does not operate any derivative financial instruments.

The main purpose on non-derivative financial instruments is to raise finance for Group operations.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

(a) Interest rate risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Summary of Financial Instruments and Interest Rate Risks

	2021 \$	2020 \$	2021 Effective Interest Rate	2020
Financial Assets:				
Cash (floating interest rate)	5,463,450	2,182,169	0.00%	0.45%
Loans and receivables:				
Trade Receivables & other (non-interest bearing)	5,272,487	5,741,779	N/A	N/A
Receivables (fixed interest rate)	-	-	N/A	N/A
Available for Sale of Financial Assets (at cost):				
Investments (non-interest bearing)	71,536	71,536	N/A	N/A
Total financial assets	10,807,473	7,995,484		
Financial Liabilities:				
Financial liabilities at amortised cost:				
Bank loan (floating interest rate)	-	-	N/A	2.37%
Trade and other payables (non-interest bearing)	2,820,441	5,649,639	N/A	N/A
Total financial liabilities	2,820,441	5,649,639		

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- Ensuring adequate unutilised borrowing facilities are maintained
- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- Maintaining a reputable credit profile
- Managing credit risk related to financial assets
- Only investing surplus cash with major financial institutions
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 28: FINANCIAL RISK MANAGEMENT (continued)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Consolidated Group	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding est. annual leave)	2,820,441	5,649,639	-	-	-	-	2,820,441	5,649,639
Total contractual outflows	2,820,441	5,649,639	-	-	-	-	2,820,441	5,649,639
Less bank overdrafts	-	-	-	-	-	-	-	-
Total expected outflows	2,820,441	5,649,639	-	-	-	-	2,820,441	5,649,639
Financial assets – cash flows realisable								
Cash and cash equivalents	5,463,450	2,182,169	-	-	-	-	5,463,450	2,182,169
Trade, term and loans receivables	5,050,283	5,492,284	222,204	249,495	-	-	5,272,487	5,741,779
Other investments	-	-	-	-	71,536	71,536	71,536	71,536
Total anticipated inflows	10,513,733	7,674,453	222,204	249,495	71,536	71,536	10,807,473	7,995,484
Net inflow on financial instruments	7,693,292	2,024,814	222,204	249,495	71,536	71,536	7,987,032	2,345,845

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group (also refer to Note 11).

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms range from 7 days from invoice date to 60 days from end of month.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. This amounts to \$10,807,473 for 2021 (2020: \$7,995,484).

Credit risk related to cash balances held with banks is managed by the Board policy of only investing surplus funds with major banks with a Standard and Poor's credit rating of at least AA-. As at reporting date all surplus funds was held with a major bank with a Standard and Poor's credit rating of AA-.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 28: FINANCIAL RISK MANAGEMENT (continued)

(d) Price risk

The Group is exposed to price risk through fluctuations in the prices of all business input costs including food commodities. The exposure is however mitigated by the Group's ability to change its selling price structure and by the very large and diverse base of customers, suppliers and products with which the Group operates. These factors limit any commodity based price risk to the Group.

Net Fair Values

The fair values of financial assets and financial liabilities are presented in the table in part (a) of this note and can be compared to their carrying values as presented in the Consolidated Statement of Financial Position. Fair Values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Sensitivity Analysis

Interest Rate Risk

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2021, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2021 \$	2020 \$
Change in profit		
- Increase in interest rate by 200 basis points (2%)	109,269	43,643
- Decrease in interest rate by 200 basis points (2%)	(109,269)	(43,643)
Change in Equity		
- Increase in interest rate by 200 basis points (2%)	109,269	43,643
- Decrease in interest rate by 200 basis points (2%)	(109,269)	(43,643)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 29: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Controlled Entities

F.F.I. Holdings Ltd provides factory and office space, and management services to its controlled entities. The total of these transactions for the year was as follows:

	2021 \$	2020 \$
Fresh Food Industries Pty Ltd	-	150,037
Danburn Holdings Pty Ltd (formerly Tradition Smallgoods Pty Ltd)	-	-
Inter-company loan balances in the Parent Entity at reporting date were as follows:		
Fresh Food Industries Pty Ltd	16,427,053	14,271,889
Danburn Holdings Pty Ltd (formerly Tradition Smallgoods Pty Ltd)	149,819	150,000
Chocolate Products of Australia Pty Ltd	(100,982)	(100,982)
Prepact Australia Pty Ltd	(100)	(100)

(b) Share transactions by directors

Directors and their related entities held directly, indirectly or beneficially as at the reporting date the following equity interests in the parent entity:

	2021 No	2020 No
R G Moonen	3,301,206	3,301,206
G W Nicholson	664,527	664,527
R D Fraser	146,954	144,954

(c) Transactions of group companies with companies related to a director

There were no transactions of Group companies with companies related to a Director during the year ended 30 June 2021.

(d) Loans to Key Management Personnel

For loans provided to Key Management Personnel refer to the Remuneration Report contained in the Directors' Report.

NOTE 30: COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

FFI Holdings Ltd had provided a bank guarantee to the City of Cockburn in the amount of \$12,000 for the purpose of landscaping associated with the Company's investment properties. The conditions of the bank guarantee were met during the year ended 30 June 2021 and the City of Cockburn terminated the bank guarantee.

The Company is not aware of any other significant commitments, contingent liabilities or contingent assets as at reporting date.

NOTE 31: EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 32: PARENT ENTITY DISCLOSURES		
(a) Financial Position		
Assets		
Current assets	4,831,737	2,155,651
Non-current assets	45,532,393	42,182,039
Total assets	50,364,130	44,337,690
Liabilities		
Current Liabilities	560,201	2,317,473
Non-current liabilities	6,741,066	5,184,356
Total liabilities	7,301,267	7,501,829
Equity		
Issued capital	19,939,268	19,829,268
Reserves:		
Asset revaluation	4,315,058	4,194,773
Retained profits	18,808,537	12,811,820
Total Equity	43,062,863	36,835,861
(b) Financial Performance		
Profit for the year after tax	8,689,208	3,569,982
Other comprehensive income	120,285	479,030
Total comprehensive income	8,809,493	4,049,012
(c) Contingent Liabilities of the Parent Entity		
	-	12,000
(d) Commitments for Acquisitions by the Parent Entity		
Property, Plant and Equipment	-	-

NOTE 33: BUSINESS COMBINATIONS

Nil

Notes to the Consolidated Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

NOTE 34: FAIR VALUE MEASUREMENT

a. Recurring and Non-recurring Fair Value Measurement

Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements are Categorised.

Fair Value Measurements at 30 June 2021 using:

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

Fair Value Measurements at 30 June 2020 using:

Description	Note	Quoted Prices in Active Markets for Identical Assets \$ (Level 1)	Significant Observable Inputs Other than Level 1 Inputs \$ (Level 2)	Significant Unobservable Inputs \$ (Level 3)
Recurring fair value measurements				
Investments in shares of unlisted corporations		-	71,536	-
Investments in shares of listed corporations		-	-	-
Investment Property	(i)	-	20,478,906	-
Property, plant and equipment (at revalued amounts):				
Freehold land	(ii)	-	5,212,500	-
Buildings		-	1,115,874	-
Non-recurring fair value measurements		-	-	-

b. Valuation Techniques and Inputs Used to Determine Level 2 Fair Values

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 34: FAIR VALUE MEASUREMENT (continued)

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

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

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

NOTE 35: LEASE COMMITMENTS RECEIVABLE

Minimum future lease payments receivable under non-cancellable leases are as follows:

	Within 1 Year	1 to 5 Years	Over 5 years	Total
	\$	\$	\$	\$
Monash Gate Jandakot #	1,093,575	3,983,400	-	5,076,975
Cutler Road Jandakot ^	-	-	-	-
Total	1,093,575	3,983,400	-	5,076,975

(#) This investment property is leased to a multi-national environmental services company for a period of 6 years 6 months effective from 16 May 2019.

The Lease has been negotiated on a basis reflective of the commercial terms and prevailing market conditions at the time of the negotiations.

(^) This investment property is leased to two independent private companies. Leases with both parties are on a month to month basis.

The Lease conditions in place have been negotiated on a basis reflective of commercial terms and prevailing market conditions.

NOTE 36: COMPANY DETAILS

The registered office of the company is:

15 Monash Gate
Jandakot WA 6164

The principal places of business are:

F.F.I. Holdings Limited and Group Companies at:
15 Monash Gate
Jandakot WA 6164

Directors' Declaration



The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 18 to 58, are in accordance with the Corporations Act 2001, and:
 - a. comply with Accounting Standards;
 - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company and consolidated group; and
 - c. are in accordance with International Financial Reporting Standards issued by International Accounting Standards Board.
2. the Managing Director and Chief Financial Officer have each declared that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. In the Directors' opinion 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 Board of Directors.

A handwritten signature in black ink, appearing to read 'R. G. Moonen', is positioned above the name 'R G Moonen'.

R G Moonen

A handwritten signature in black ink, appearing to read 'G W Nicholson', is positioned above the name 'G W Nicholson'.

G W Nicholson

Dated this 29th day of September 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FFI HOLDINGS LIMITED****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of FFI Holdings Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a) the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FFI HOLDINGS LIMITED (CONTINUED)**

Key Audit Matters (continued)

Valuation of Land Held for Own Use and Compulsory Land Resumption

Refer to Note 15 Property, Plant and Equipment & Note 20 Advance Received & Note 21 Compensation Monies Received

As at 30 June 2021, the Group had \$5,212,500 of land held for own use.

Although the settlement negotiations with Main Roads Western Australia ("MRWA") was only completed in the current financial year ended 30 June 2021, the physical compulsory resumption of the land taken by MRWA was effectively completed during the year ended 30 June 2020.

During the 2021 financial year, the Group accepted an offer of \$9.95 million from MRWA which was inclusive of the advanced payment of \$5.44 million advanced payment received in the previous financial year as disclosed in Note 20 and Note 21. The settlement resulted in compensation income of \$6.1 million, \$529k gain on sale of the investment properties, \$203k gain on sale of own use property and \$493k interest recorded in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

We considered the accounting for the land resumption as a key audit matter due to the significance of the transactions and their complex nature requiring management to exercise judgment to determine the transaction values and the accounting approach adopted.

In addition, the balance of the land held for own use is material and its value is subject to significant management judgement and estimates. The methodology used for the assessment by management indirectly incorporated an independent external valuation performed in a prior financial year by a licensed independent valuer on the Company's adjoining investment properties (see below) as well as consideration of other current relevant factors and market conditions. The valuation is dependent on several key assumptions and judgements including highest and best use concepts and comparable market values.

Our audit procedures to test the valuation of Land Held for Own Use and Land Resumption included, amongst others, the following:

- Consulting with management in relation to the nature of land resumption transaction and the components included in the compensation settlement;
- Testing the calculation of the relevant adjustments resulting from land resumed and inspecting the relevant supporting documentation for this transaction;
- Engaging our internal tax expert to review the tax implications of the resumption transactions and reasonableness of the tax calculation and estimates by management;
- Testing mathematical accuracy of the valuation model prepared by management;
- Discussing with management in respect of their valuation and assessing their methodology including the reasonableness of key assumptions and inputs adopted;
- Testing of the key assumptions to external market information (e.g. property sales within the area during the year), where available, to ensure the underlying assumptions inherent in the external valuation obtained in a prior financial year continues to be relevant;
- Where material, testing a sample of capitalised development costs against building contract / progress claims and other supporting documents; and
- Reviewing the disclosures in the financial statements to ensure appropriateness and adequacy

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FFI HOLDINGS LIMITED (CONTINUED)**

Key Audit Matters (continued)

Valuation of Investment Properties and Compulsory Land Resumption

Refer to Note 16 Investment Property & Note 20 Advance Received & Note 21 Compensation Monies Received

Although the settlement negotiations with Main Roads Western Australia ("MRWA") was only completed in the current financial year ended 30 June 2021, the physical compulsory resumption of the land taken by MRWA was effectively completed during the year ended 30 June 2020.

During the 2021 financial year, the Group accepted an offer of \$9.95 million from MRWA which was inclusive of the advanced payment of \$5.44 million advanced payment received in the previous financial year as disclosed in Note 20 and Note 21. The settlement resulted in compensation income of \$6.1 million, \$529k gain on sale of the investment properties, \$203k gain on sale of own use property and \$493k interest recorded in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

We considered the accounting for the land resumption as a key audit matter due to the significance of the transactions and their complex nature requiring management to exercise judgment to determine the transaction values and the accounting approach adopted.

Management has estimated the fair value of the Group's investment properties to be \$20,478,906 as at 30 June 2021.

The valuation of investment properties is a key audit matter as it is the Group's most significant asset. In addition, Management's valuation of the remaining investment properties incorporated an independent external valuation obtained in a prior financial year as well as consideration of other current relevant factors and market conditions. The valuation is dependent on several key assumptions and judgements including highest and best use concepts, capitalisation rates and comparable market values.

Our procedures to test the valuation of investment properties included, amongst others, the following:

- Consulting with management in relation to the nature of land resumption transaction and the components included in the compensation settlement;
- Testing the calculation of the relevant adjustments resulting from land resumed and inspecting the relevant supporting documentation for this transaction;
- Engaging our internal tax expert to review the tax implications of the resumption transactions and reasonableness of management tax calculation and estimates;
- Testing mathematical accuracy of the valuation model prepared by management;
- Discussing with management in respect of their valuation and assessing their methodology including the reasonableness of key assumptions and inputs adopted;
- Testing of the key assumptions to external market information (e.g., neighbouring property sales during the year), where available, to ensure the underlying assumptions inherent in the external valuation obtained in a prior financial year continues to be relevant;
- Where material, testing a sample of capitalised development costs against building contract / progress claims and other supporting documents; and
- Reviewing the disclosures in the financial statements to ensure appropriateness and adequacy.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FFI HOLDINGS LIMITED (CONTINUED)

Key Audit Matters (continued)

Existence and Valuation of Inventories	
Refer to Note 12 Inventories	
The Group holds significant inventories (raw materials and finished goods) which is used in the processing, manufacturing, packaging, and distribution of foods products. Inventories are valued at the lower of cost and net realisable value (NRV). Valuation at cost includes different components and is subject to significant management estimates. This could result in an overstatement of the value of the inventories if the historical cost is higher than the net realisable value. We have therefore identified inventory existence and valuation as a key audit matter.	Our procedures to test the existence and valuation of inventories included, amongst others, the following: • Testing the relevant internal control procedures relating to the existence and valuation of inventory, including stocktake attendance of the inventory count at year end; • Testing a sample of stock items and comparing our count results with count results by the Group's representative and investigating any variances; • Performing test of details on historical costs, including testing the mathematical accuracy of the final stock listing and assessment of management estimates and assumptions in relation to other fixed costs allocations; • Testing a sample of stock items to subsequent sales to ensure that they were recorded at the lower of cost and net realisable value; • Reviewing gross margins for any unusual pattern compared to prior periods; and • Reviewing the disclosures in the financial statements to ensure appropriateness and adequacy.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FFI HOLDINGS LIMITED (CONTINUED)

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

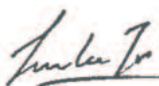
Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of FFI Holdings Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



SUAN-LEE TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 29th day of September 2021.

The following additional information is required by the Australian Securities Exchange:

SHAREHOLDINGS

a) Distribution of Shareholder Numbers as at 17th September 2021:

Range of Holding	Total Holders	No of Shares	% of Issued Capital
1 to 1,000	183	80,784	0.75%
1,001 to 5,000	135	366,050	3.40%
5,001 to 10,000	71	522,019	4.84%
10,001 to 100,000	64	1,795,658	16.65%
100,001 and over	20	8,015,856	74.36%
Total Shareholders	473	10,780,367	100%

The number of shareholdings held in less than marketable parcels is 32 holders with 419 shares.

c) The names of the substantial shareholders listed in the holding company's register as at 17th September 2021 are:

Name	Fully Paid Shares	% of Issued Capital
Moonen Mr Rodney Graham	3,301,206	30.62%
Morrison Mr Donald John	1,255,852	11.65%
Nicholson Mr Geoffrey W	664,527	6.16%
Phoenix Portfolios Pty Ltd	641,998	5.96%
Warr Mr Ronald W	562,585	5.22%

d) Voting Rights

All ordinary shares carry 1 vote per share.

Additional Information for Listed Public Companies

e) As at 17th September 2021, the twenty largest shareholders held 8,049,090 of the total issued fully paid shares in the Company are as follows:

Names of 20 Largest Shareholders	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
PEARLWOOD HOLDINGS PTY LTD	2,154,241	19.98%
EVELIN INVESTMENTS PTY LTD	867,497	8.05%
SALTER POINT INVESTMENT PTY LTD	629,580	5.84%
MR KENNETH JOHN BEER & MR ALEXANDER CHARLES BEER <BEER SUPER FUND A/C>	496,769	4.61%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	488,796	4.53%
WARR NOMINEES PTY LTD <WARR FAMILY A/C>	481,377	4.47%
MR GEOFFREY WAYNE NICHOLSON	367,644	3.41%
NAIRANA PTY LIMITED	306,071	2.84%
MAITRI PTY LTD <COCI SUPER FUND A/C>	300,410	2.79%
SAMUEL GORDON SIMPSON DECD	246,360	2.29%
MR RODNEY GRAHAM MOONEN	235,801	2.19%
MR BRETT ROSS MATTHEWS	195,653	1.81%
EST FRANCIS ALAN LOVE	180,359	1.67%
MR BRUCE ATHOL BELL	165,991	1.54%
KEISER INVESTMENTS PTY LTD <GANN FAMILY RETIREMENT A/C>	162,381	1.51%
B B HOLDINGS PTY LTD <SUPER FUND ACCOUNT>	162,173	1.50%
NEREID PTY LTD <NEREID NO 1 A/C>	152,683	1.42%
NATIONAL NOMINEES LIMITED	152,652	1.42%
MRS TRACY FRASER	146,954	1.36%
RATHVALE PTY LIMITED	122,764	1.14%
TOTAL	8,049,090	74.66%

COMPANY SECRETARY

The company Secretary is Mr. R.G. Moonen.

REGISTERED OFFICE

The registered office of the Company is:

15 Monash Gate, Jandakot, WA, 6164

Telephone: (08) 9417 6111

Facsimile: (08) 9417 3063

E-mail: ffi@ffiholdings.com.au

Website: www.ffiholdings.com.au

SHARE REGISTRY

Automic Group Ltd.,
Level 5,
126 Phillip Street,
Sydney, NSW, 2000.
Telephone: 1300 288 664 (within Australia)
+61 2 9698 5414 (Overseas)

STOCK EXCHANGE LISTING

Quotation has been granted for all ordinary shares of the Company on the Australian Securities Exchange.

DIRECTORS INTEREST IN EQUITY

The interests of each Director in the share capital of the Company as disclosed by the register of Directors' shareholdings as at 17th September 2021 are as follows:

Director	Ordinary Shares Held	
	Directly	Beneficially
RG Moonen	235,801	3,065,405
GW Nicholson	404,930	259,597
RD Fraser	-	186,954

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