



**F.F.I. HOLDINGS LIMITED  
ABN 32 009 155 328  
AND CONTROLLED ENTITIES**

**INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31<sup>st</sup> DECEMBER 2021**

# F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### CONTENTS

Cover Page	1
Appendix 4D	3
Commentary on Results	4
Directors' Report	5
Auditor's Independence Declaration	6
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	20
Independent Auditor's Review Report	21

# F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### APPENDIX 4D

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

Movement from the previous corresponding period (6 months ended 31 December 2020) for:

Revenue from ordinary activities	up	1.5%	to	\$20,180,874
Net profit from ordinary activities after tax attributable to members	down	40.3%	to	\$1,198,074

#### DIVIDENDS

	Amount per security	Franked amount per security
Interim dividend	10.0 cents	10.0 cents
Interim dividend previous corresponding period	12.0 cents	12.0 cents
Record date for determining entitlements to the dividend		15 <sup>th</sup> March 2022
Payment date for the dividend		25 <sup>th</sup> March 2022

The Company's Dividend Reinvestment Plan (DRP) has been suspended and will not be in operation for the interim dividend payable on 25 March 2022. There is no foreign sourced dividend.

#### NET TANGIBLE ASSETS

	Current period 31/12/2021	Previous corresponding period 31/12/2020
Net tangible assets per security	\$3.99	\$3.50

*This report has been reviewed by Moore Australia Audit (WA).*

*It is recommended that this report be read in conjunction with the annual financial report of the Company for the year ended 30 June 2021.*

# F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### COMMENTARY ON RESULTS

#### Financial results

FFI Holdings Limited (the Company) has reported a net profit after tax of \$1.20 million for the half year ended 31<sup>st</sup> December 2021. The net profit after tax for the previous corresponding period was \$2.01 million. The profit before tax of \$1.60 million was in line with the guidance released to ASX on 23<sup>rd</sup> February 2022.

The significantly reduced profit reflects the difficult trading conditions the Company experienced during the period. The result was achieved on revenue of \$20.2 million, up a modest 1.5% on the previous corresponding half year.

The Company continues to be in a very strong financial position with net assets of \$43.55 million (representing net tangible asset backing of \$3.99 per share), no debt and cash reserves of \$6.68 million.

#### Food operations

The half year under review has proven to be an extremely difficult trading period for the Company, with significant increases in many of the Company's major input costs, including raw materials, freight and labour. Profits have also been negatively impacted by problems with raw material and inventory recoveries and supply chain disruptions.

The Company's management team is working with suppliers and customers in order to restore profit margins while internal processes and controls continue to be reviewed to improve raw material recoveries.

Despite the supply chain disruptions that were mainly around the busy Christmas trading period, sales revenue from the Company's food operations increased by 1.9% to \$19.57 million compared with the comparable period last year.

#### Property Investment

The Company's property investments continued to make a material contribution to the financial result. Rent received from the Company's investment properties increased by 1.4% to \$0.60 million for the half year.

The asset values for the Company's investment properties as at 31<sup>st</sup> December 2021 remain unchanged from the valuations used in the 30<sup>th</sup> June 2021 annual accounts.

#### Dividend

In view of the reduced profit result, the Directors have resolved to reduce the interim dividend to 10.0 cents per share, fully franked (down from the 12.0 cents per share for last year's interim dividend). The relatively high dividend payout ratio of 90% reflects the Directors' confidence that the negative issues resulting in the reduced profit are temporary and will be addressed in the short term.

#### Outlook

The Company's management team remain focused on addressing the issues that affected profit margins during the half year under review and managing the supply chain challenges that the industry is currently experiencing. The Board believes that the outlook remains positive. The Company has many opportunities for future growth and is in excellent financial shape. From this position of strength the Company is well positioned to improve short term profitability and deliver long term growth for shareholders.



**Rodney Moonen**  
Chairman  
28<sup>th</sup> February 2022

**F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES**  
(ABN 32 009 155 328)  
**INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**DIRECTORS' REPORT**

Your Directors submit the financial report of the consolidated group for the half year ended 31 December 2021.

**DIRECTORS**

The names 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

**REVIEW OF OPERATIONS**

A review of operations is contained in the accompanying Commentary on Results on page 4.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 7 for the half year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors.



**Rodney G Moonen**  
**Director**

Dated this 28<sup>th</sup> day of February 2022

# F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021



### Moore Australia Audit (WA)

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### AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF F.F.I. HOLDINGS LIMITED

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2021, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Suan-Lee Tan', written over a horizontal line.

SUAN-LEE TAN  
PARTNER

A handwritten signature in black ink that reads 'MOORE AUSTRALIA' in all capital letters.

MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 28<sup>th</sup> day of February 2022.

# F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		Consolidated Group	
	Note	31.12.2021	31.12.2020
		\$	\$
Revenue from continuing operations		20,180,874	19,890,187
Changes in inventories of finished goods and work in progress		(34,905)	424,237
Raw materials and consumables used		(10,805,733)	(10,178,460)
Employee benefits expense		(4,373,783)	(4,179,895)
Depreciation and amortisation expense		(415,020)	(382,970)
Repairs and maintenance expense		(291,982)	(420,314)
Freight expense		(937,658)	(702,405)
Finance costs		-	-
Other expenses		(1,724,361)	(1,739,924)
Profit before income tax from continuing operations		1,597,432	2,710,456
Income tax expense		(399,358)	(704,719)
Profit after tax from continuing operations		1,198,074	2,005,737
Profit for the period		1,198,074	2,005,737
Other comprehensive income for the period		-	-
Total comprehensive income for the period attributable to members of the parent entity		1,198,074	2,005,737
Earnings per share			
From continuing operations:			
Basic and diluted earnings per share (cents per share)		11.1	18.6

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

# F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	Consolidated Group	
		31.12.2021 \$	30.06.2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		6,679,870	5,463,450
Trade and other receivables		6,280,004	5,050,283
Inventories		6,701,876	7,279,404
Other current assets		295,500	458,298
<b>TOTAL CURRENT ASSETS</b>		<b>19,957,250</b>	<b>18,251,435</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		206,921	222,204
Financial assets	8	71,536	71,536
Property, plant and equipment		14,928,928	14,833,589
Investment property	8	20,478,906	20,478,906
Intangible assets		552,762	552,762
Deferred tax assets		318,236	318,236
<b>TOTAL NON-CURRENT ASSETS</b>		<b>36,557,289</b>	<b>36,477,233</b>
<b>TOTAL ASSETS</b>		<b>56,514,539</b>	<b>54,728,668</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,889,046	2,820,441
Current tax liabilities		466,647	471,003
Short-term provisions		952,750	919,948
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,308,443</b>	<b>4,211,392</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		38,564	38,564
Deferred tax liabilities		6,613,196	6,613,197
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,651,760</b>	<b>6,651,761</b>
<b>TOTAL LIABILITIES</b>		<b>12,960,203</b>	<b>10,863,153</b>
<b>NET ASSETS</b>		<b>43,554,336</b>	<b>43,865,515</b>
<b>EQUITY</b>			
Contributed equity	3	19,939,268	19,939,268
Reserves		4,372,908	4,372,908
Retained earnings		19,242,160	19,553,339
<b>TOTAL EQUITY</b>		<b>43,554,336</b>	<b>43,865,515</b>

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



## F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

### INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Ordinary Share Capital \$	Retained Earnings \$	Reserves \$	Total \$
<b>Balance at 1.7.2021</b>		19,939,268	19,553,339	4,372,908	43,865,515
Comprehensive income:					
Profit attributable to members of parent entity		-	1,198,074	-	1,198,074
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	1,198,074	-	1,198,074
Transactions with owners, in their capacity as owners, and other transfers		-	-	-	-
Shares issued during the period		-	-	-	-
Dividends recognised for the period	2	-	(1,509,253)	-	(1,509,253)
Total transactions with owners and other transfers		-	(1,509,253)	-	(1,509,253)
<b>Balance at 31.12.2021</b>		19,939,268	19,242,160	4,372,908	43,554,336
<b>Balance at 1.7.2020</b>		19,829,268	13,522,540	4,252,623	37,604,431
Comprehensive income:					
Profit attributable to members of parent entity		-	2,005,737	-	2,005,737
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	2,005,737	-	2,005,737
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	-	(1,398,846)	-	(1,398,846)
Total transactions with owners and other transfers		110,000	(1,398,846)	-	(1,288,846)
<b>Balance at 31.12.2020</b>		19,939,268	14,129,431	4,252,623	38,321,322

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

**F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES**

(ABN 32 009 155 328)

**INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	<b>Consolidated Group</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	18,956,550	20,127,346
Payments to suppliers and employees	(15,326,689)	(17,093,471)
Dividends received	2,133	1,422
Interest received	1,470	-
Finance costs	-	-
Income tax refunded/(paid)	(403,715)	(718,313)
Net cash provided by (used in) operating activities	<u>3,229,749</u>	<u>2,316,984</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	36,000	-
Purchase of property, plant and equipment	(548,513)	(845,603)
Own use property development costs	(6,845)	-
Net cash provided by (used in) investing activities	<u>(519,358)</u>	<u>(845,603)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	12,501
Repayment of employee share loans	15,283	14,191
Dividends paid by parent entity	(1,509,253)	(1,398,846)
Net cash provided by (used in) financing activities	<u>(1,493,970)</u>	<u>(1,372,154)</u>
Net increase (decrease) in cash held	1,216,421	99,227
Cash at beginning of period	5,463,450	2,182,169
Cash at end of period	<u>6,679,871</u>	<u>2,281,396</u>

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

# F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Basis of Preparation

These general purpose interim financial statements for the half year reporting period ended 31 December 2021 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of F.F.I. Holdings Limited and its controlled entities (referred to as the “consolidated group” or “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2021, together with any public announcements made during the following half year.

These interim financial statements were authorised for issue on 28<sup>th</sup> February 2022 by the directors of the Company.

##### b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards and determined that their application to the financial statements is either not relevant or not material.

##### c. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent F.F.I. Holdings Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. A list of the subsidiaries is provided in Note 7.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation.

Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interest’s proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income.

## F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

### INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

#### d. Fair Value of Assets and Liabilities

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 instruments, 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.

#### Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

## F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

### INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

#### Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level into which an input that is significant to the measurement can be categorised as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the 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. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

#### e. Critical Accounting Estimates and Significant Judgements Used in Applying Accounting Policies

The critical estimates and judgements are consistent with those applied and disclosed in the annual financial statements of the Group for the year ended 30 June 2021.

## F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

### INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Consolidated Group	
	31.12.2021	31.12.2020
	\$	\$
<b>NOTE 2: DIVIDENDS</b>		
Declared interim fully franked ordinary dividend of 10.0 cents (2020: 12.0 cents) per share franked at the tax rate of 25.0% (2020: 26.0%)	1,078,036	1,293,644
Final fully franked ordinary dividend of 14.0 cents per share paid during the half year period (2020: 13.0 cents)	1,509,253	1,398,846
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3: ISSUED CAPITAL</b>		
Issued and Paid Up Capital		
10,780,367 (2020: 10,780,367) fully paid ordinary shares	19,939,268	19,939,268
<b>(a) Ordinary shares</b>	<b>No.</b>	<b>No.</b>
At the beginning of reporting period	10,780,367	10,760,367
Shares issued during half year:		
13 November 2020 – Shares issued for employee entitlements	-	17,727
13 November 2020 – Shares issued for employee purchase	-	2,273
Shares bought back during year	-	-
At reporting date	<u>10,780,367</u>	<u>10,780,367</u>

#### NOTE 4: CONTINGENT LIABILITIES

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

#### NOTE 5: EVENTS AFTER THE END OF THE INTERIM PERIOD

The directors are not aware of any significant events since the end of the interim period.

# F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### NOTE 6: 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.

##### 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) *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.

## F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

### INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

#### NOTE 6: OPERATING SEGMENTS (continued)

##### (i) Segment performance

	Bakery Segment	Investment Property	Total
	\$	\$	\$
<b>6 months ended 31/12/2021</b>			
<b>Revenue</b>			
External sales	19,574,633	-	19,574,633
Rent	-	601,528	601,528
Inter-segment sales	-	-	-
Other revenue	-	-	-
<b>Total segment revenue</b>	<b>19,574,633</b>	<b>601,528</b>	<b>20,176,161</b>
<i>Reconciliation of segment revenue to Group revenue</i>			
Unallocated revenue			4,713
Total group revenue			20,180,874
<b>Segment net profit before tax</b>	<b>1,340,032</b>	<b>601,528</b>	<b>1,941,560</b>
<i>Reconciliation of segment result to Group net profit/(loss)</i>			
Amounts not included in segment result but reviewed by			
Unallocated items:			
• Other			(344,128)
Net profit before tax from continuing operations			1,597,432
<b>6 months ended 31/12/2020</b>			
<b>Revenue</b>			
External sales	19,206,208	-	19,206,208
Rent	-	593,168	593,168
Inter-segment sales	-	-	-
Other revenue	-	-	-
<b>Total segment revenue</b>	<b>19,206,208</b>	<b>593,168</b>	<b>19,799,376</b>
<i>Reconciliation of segment revenue to Group revenue</i>			
Unallocated revenue			90,811
Total group revenue			19,890,187
<b>Segment net profit before tax</b>	<b>2,486,206</b>	<b>593,168</b>	<b>3,079,374</b>
<i>Reconciliation of segment result to Group net profit/(loss)</i>			
Amounts not included in segment result but reviewed by			
Unallocated items:			
• Other			(368,918)
Net profit before tax from continuing operations			2,710,456



## F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

### INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

#### NOTE 6: OPERATING SEGMENTS (continued)

##### (ii) 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:

<b>6 months ended 31/12/2021</b>	<b>Bakery Segment \$</b>	<b>Investment Property \$</b>	<b>Unallocated \$</b>	<b>Total \$</b>
Primary geographical market				
Australia	19,574,633	601,528	4,713	20,180,874
Timing of revenue recognition				
At a point in time	19,574,633	-	-	19,574,633
Over time	-	601,528	4,713	606,241
	<u>19,574,633</u>	<u>601,528</u>	<u>4,713</u>	<u>20,180,874</u>
<b>6 months ended 31/12/2020</b>	<b>Bakery Segment \$</b>	<b>Investment Property \$</b>	<b>Unallocated \$</b>	<b>Total \$</b>
Primary geographical market				
Australia	19,206,208	593,168	90,811	19,890,187
Timing of revenue recognition				
At a point in time	19,206,208	-	-	19,206,208
Over time	-	593,168	90,811	683,979
	<u>19,206,208</u>	<u>593,168</u>	<u>90,811</u>	<u>19,890,187</u>

##### (iii) Segment assets

	<b>Bakery Segment \$</b>	<b>Investment Property \$</b>	<b>Unallocated \$</b>	<b>Total \$</b>
<b>6 months ended 31/12/2021</b>				
Opening balance 1 July 2021	21,076,355	20,478,906	13,173,407	54,728,668
Segment asset increases for the period:				
• capital expenditure	548,513	-	6,845	555,358
• disposals	(45,000)	-	-	(45,000)
• other asset movements	2,744,775	-	(1,469,262)	1,275,513
Closing balance 31 December 2021	<u>24,324,643</u>	<u>20,478,906</u>	<u>11,710,990</u>	<u>56,514,539</u>

## F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

### INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

#### NOTE 7: INTEREST IN SUBSIDIARIES

##### Information about Principal Subsidiaries

Set out below are the Group's subsidiaries at 31 December 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	
		At	At
		31 December 2021	30 June 2021
		%	%
Fresh Food Industries Pty Ltd	Perth, Western Australia	100	100
Chocolate Products of Australia Pty Ltd	Perth, Western Australia	100	100
Prepact Australia Pty Ltd	Perth, Western Australia	100	100
Danburn Holdings Pty Ltd (formerly Tradition 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.

#### NOTE 8: 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 31 December 2021 using:

Description	Note	Quoted	Significant	Significant
		Prices in Active Markets for Identical Assets	Inputs Other than Level 1	Unobservable Inputs
		\$	\$	\$
		(Level 1)	(Level 2)	(Level 3)
<b>Recurring fair value measurements</b>				
Investments in shares of unlisted corporations		-	71,536	-
Investments in shares of listed corporations		-	-	-
Investment property	(i)	-	20,478,906	-
Property, plant and equipment (at revalued amounts):				
Freehold land	(ii)	-	5,212,500	-
Buildings		-	1,575,499	-
<b>Non-recurring fair value measurements</b>				

## F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

### INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

#### NOTE 8: FAIR VALUE MEASUREMENT (continued)

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)
<b>Recurring fair value measurements</b>				
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	-
<b>Non-recurring fair value measurements</b>				
		-	-	-

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

- (i) The value of the Group's investment property as at 31 December 2021 remains unchanged from the valuations used in the 30 June 2021 annual accounts. The value of the Group's investment property was reviewed at 30 June 2021 by the Directors. The value adopted as at 30 June 2021 is based on a valuation performed as at 30 June 2018 by a licensed independent valuer as well as consideration of other current relevant factors.
- (ii) The value of the Group's freehold land as at 31 December 2021 remains unchanged from the valuations used in the 30 June 2021 annual accounts. 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.

## F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

### INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

#### DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 7 to 19 are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
2. 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 of F.F.I. Holdings Limited.



**R G Moonen**

Dated this 28<sup>th</sup> day of February 2022.

# F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021



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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF F.F.I. HOLDINGS LIMITED

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of F.F.I. Holdings Limited (the company) and its controlled entities (the consolidated entity or group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

#### Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements *ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the Directors for the Half-Year Financial Report

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

## F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

(ABN 32 009 155 328)

### INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021



#### INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF F.F.I. HOLDINGS LIMITED (CONTINUED)

##### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and
- ii. complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature in black ink, appearing to read 'Su-an Lee Tan'.

SUAN-LEE TAN  
PARTNER

The logo for Moore Australia, with the words 'MOORE AUSTRALIA' written in a stylized, handwritten-style font.

MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 28<sup>th</sup> day of February 2022.