



AUSTRALIAN VINTAGE LTD

**Company Announcements
Australian Securities Exchange**

23 February 2022

Australian Vintage Limited Appendix 4D & 2022 Interim Result

Australian Vintage Limited has today released its financial statements for the half year ended 31 December 2021. Attached to this announcement are the Appendix 4D and half year financial statements.

For the purpose of ASX Listing Rule 15.5, Australian Vintage Limited confirms that this document has been authorised for release by the Board.



AUSTRALIAN VINTAGE LTD
ACN 052 179 932

Appendix 4D

For the half-year ended 31 December 2021 (listing rule 4.2)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Statutory financial metrics (All comparisons to half-year ended 31 December 2020)		Movement %	Amount \$'000
Total operating revenue	Down	7.0%	138,015
Net profit	Down	24.7%	10,005

Other financial metrics

Net profit before SGARA	Down	17.1%	10,968
SGARA (net of tax)			(963)
Net profit			10,005

Dividend information	Date dividend paid / payable	Amount per security ¢	Amount franked at 30% tax rate
Interim dividend – half-year ended 31 December 2021	n/a	nil	n/a
Final dividend – year ended 30 June 2021	17 December 2021	2.7	60%
Interim dividend – half-year ended 31 December 2020	n/a	nil	n/a
		2021 \$	2020 \$
Net tangible assets per security [^]		0.88	0.85

[^] **note:** net tangible assets used in the net tangible assets per security calculation for includes right-of-use assets and lease liabilities.

Additional Appendix 4D disclosure requirements can be found in the Financial Report that follows which contains the Director's Report and the 31 December 2021 half-year Financial Statements and accompanying notes.

Australian Vintage Ltd

Directors' Report

The directors of Australian Vintage Ltd submit herewith the financial report of Australian Vintage Ltd and its subsidiaries for the half-year ended 31 December 2021.

The names of the directors of the company during or since the end of the half-year are:

Richard H. Davis
Craig Garvin
John D. Davies
Naseema Sparks
Peter Perrin
Jiang Yuan

PRINCIPAL ACTIVITIES

The Group's principal activities in the course of the period were the production, marketing and sales of wine.

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

Key financial highlights:

- Net Profit after tax (NPAT) down 25% to \$10.0 million.
- EBITs (earnings before tax, interest and SGARA) down \$3.6 million to \$16.8 million.
- EBIT (Earnings before tax and interest) down \$5.0 million to \$15.4 million.
- Total Revenue down 7% to \$138.0 million.
- Cash flow from operating activities negative \$0.8 million due to build-up of working capital and higher logistic and associated costs.
- Sales of our 4 key brands, McGuigan, Tempus Two, Nepenthe and Barossa Valley Wine Company (BVWC) down 1% but overall gross margin up on prior period.
- In line with previous years, no interim dividend declared.

A solid performance in Australian Vintage Limited's (ASX: AVG) Australian and UK businesses considering the higher logistic and associated costs, closure of our Hunter cellar doors for part of the period and the expected decline in SGARA (Self Generating and Regenerating Assets).

Net Profit after tax ('NPAT') for the period ended 31 December 2021 is down 25% to \$10.0 million. While underlying business performance has remained strong, additional logistic and associated cost, cellar door closures and reduced SGARA, has negatively impacted NPAT by \$4.2 million.

Our 4 pillar brands continue to perform well but we have seen a sales decline in the lower margin McGuigan range of products sold in the United Kingdom. For the last 3 months of the period (to December 2021), the UK wine market has declined by 8% but pleasingly the McGuigan brand has grown 0.5%. We are growing our market share. Overall, our pillar brand sales have declined by 1% but gross margin has improved. During the 6 month period, total sales of the McGuigan brand decreased by 4%, but sales of higher margin Tempus Two increased 20%, and Nepenthe was up 30%. BVWC decreased by 10% but mix improved, resulting in a gross margin that was in line with prior period.

During the half year we increased the investment in our brands with marketing spend up 37% on prior period. For the second half of this financial year, we expect marketing spend to be down by \$1.0 million compared to prior period as we utilise the marketing investment from prior periods.

COVID continues to impact our business in terms of logistical issues and closure of our cellar doors. To minimise the potential of being out of stock in the UK and to minimise the impact of delayed shipments to the UK we have built up our finished product stock in the UK. As a result, we have been able to maintain our products on the UK shelves for most of the time although some out of stock has contributed to lost sales. The higher stock levels together with other movements in working capital has meant that our operating cash flow is negative \$0.8 million compared to positive \$30.9 million in the prior period. For the full year we are expecting cash flow to be around positive \$20 million.

The McGuigan Zero range continues its outstanding success and is now the biggest selling non-alcoholic wine sold in the UK. Innovation is an important contributor to the ongoing growth of AVG and over the last 6 months we have been developing a drinks business which will utilise the alcohol that is extracted from the McGuigan Zero product. We are well progressed in developing a range of products from this drinks business which will be on the shelves this calendar year.

SGARA was down \$1.5 million on prior period due to frost in one of our vineyards resulting in an estimated loss of 2,400 tonnes, and the expected reduction in red grape prices for the 2022 vintage in Australia. The impact of reduced red grape prices is a timing issue only as there will be margin benefits in future years from lower red wine costs. The reduction in red grape prices is due to reduced demand because of the loss of sales to China.

A more detailed review of AVG's operations including analysis by segment is contained in the press release and presentation released to the ASX on 23 February 2021. We note that these documents contain non-IFRS measures used by management in assessing AVG's performance and have not been audited.

Australian Vintage Ltd

Directors' Report

INDEPENDENCE DECLARATION BY AUDITOR

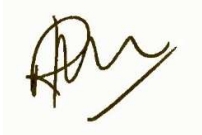
The auditor's independence declaration is included on page 4.

ROUNDING OFF OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Report) Instrument 2016/191, dated 24 March 2016, in accordance with that Corporations Instrument amounts in the directors' report and the half-year financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the Directors



Richard Davis
Chairman

23 February 2022



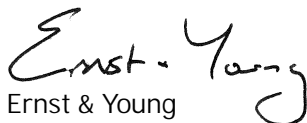
Craig Garvin
Chief Executive Officer

Auditor's Independence Declaration to the Directors of Australian Vintage Limited


As lead auditor for the review of the half-year financial report of Australian Vintage Limited for the half-year ended 31 December 2021, I declare to the best of my knowledge and belief, 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.

This declaration is in respect of Australian Vintage Limited and the entities it controlled during the financial period.



Ernst & Young



Mark Phelps
Partner
Adelaide
23 February 2022

Independent auditor's review report to the members of Australian Vintage Limited

Conclusion

We have reviewed the accompanying half-year financial report of Australian Vintage Limited (the Company) and its subsidiaries (collectively the 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 and 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, other information as set out in Appendix 4D to the Australian Securities Exchange (ASX) Listing Rules 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 Group does not comply with:

- a. The *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial 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*; and
- b. The ASX Listing Rules as they relate to Appendix 4D.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

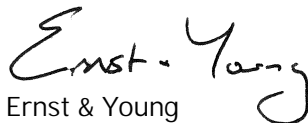
Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and complies with the ASX Listing Rules as they relate to Appendix 4D. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and whether the half-year financial report is not in accordance with the ASX Listing Rules as they relate to Appendix 4D.

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



Ernst & Young



Mark Phelps

Partner
Adelaide
23 February 2022

Australian Vintage Ltd

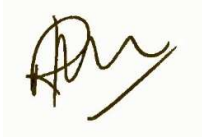
Directors' Declaration

The directors declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors



Richard Davis
Chairman

23 February 2022



Craig Garvin
Chief Executive Officer

Australian Vintage Ltd

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2021

	NOTE	2021 \$'000	2020 \$'000
Revenue	2	138,015	148,403
Cost of sales		(91,388)	(101,930)
Gross Profit		46,627	46,473
Fair value gain / (loss) on grapes		(1,375)	98
Other income	2	669	349
Distribution expenses		(8,006)	(7,144)
Sales expenses		(11,604)	(10,887)
Marketing expenses		(6,147)	(4,477)
Administration expenses		(4,769)	(3,973)
Finance costs		(1,325)	(1,416)
Profit before income tax		14,070	19,023
Income tax expense		(4,065)	(5,729)
Net Profit for the period		10,005	13,294
Other comprehensive loss, net of income tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Change in fair value of hedging instruments		(262)	1,201
Exchange differences arising on translation of foreign operations		20	15
Other comprehensive (loss) / income for the period, net of income tax		(242)	1,216
Total comprehensive income for the period		9,763	14,510
Earnings per share:			
Basic (cents per share)		4.0	4.7
Diluted (cents per share)		4.0	4.7

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

Australian Vintage Ltd

Consolidated statement of financial position

As at 31 December 2021

	NOTE	31/12/21 \$'000	30/06/21 \$'000
Current Assets			
Cash and cash equivalents		4,628	3,655
Trade and other receivables		60,733	51,580
Inventories		149,842	153,513
Other financial assets	5	679	493
Total Current Assets		215,882	209,241
Non-Current Assets			
Inventories		30,717	37,223
Other financial assets	5	2,646	3,176
Property, plant and equipment		113,134	111,793
Goodwill and other intangible assets		51,364	51,531
Deferred tax assets		15,891	19,787
Right-of-use assets		44,703	46,110
Total Non-Current Assets		258,455	269,620
Total Assets		474,337	478,861
Current Liabilities			
Trade and other payables		36,900	57,726
Income tax payable		1,772	1,770
Lease liabilities		6,231	5,913
Other financial liabilities	5	243	506
Provisions		5,930	6,444
Income received in advance		177	-
Borrowings		3,000	-
Total Current Liabilities		54,253	72,359
Non-Current Liabilities			
Borrowings		83,500	46,500
Lease liabilities		45,036	46,443
Other financial liabilities	5	-	46
Provisions		817	831
Total Non-Current Liabilities		129,353	93,820
Total Liabilities		183,606	166,179
Net Assets		290,731	312,682
Equity			
Issued capital		441,474	465,490
Reserves		1,859	2,978
Accumulated losses		(152,602)	(155,786)
Total Equity		290,731	312,682

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

Australian Vintage Ltd

Consolidated statement of changes in equity

For the half-year ended 31 December 2021

	Share capital	Equity – settled employee benefits reserve	Hedging reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	465,490	1,883	762	333	(155,786)	312,682
Profit for the period	-	-	-	-	10,005	10,005
Net gain on interest rate swaps	-	-	309	-	-	309
Net loss on foreign exchange hedges	-	-	(684)	-	-	(684)
Exchange differences arising on translation of foreign operations	-	-	-	29	-	29
Income tax relating to components of other comprehensive income	-	-	113	(9)	-	104
Total comprehensive income for the period	-	-	(262)	20	10,005	9,763
Transactions with owners in their capacity as owners						
Purchase and issuance of treasury shares to employees	-	(1,233)	-	-	-	(1,233)
Dividend paid	-	-	-	-	(6,821)	(6,821)
Recognition of share based payments	-	356	-	-	-	356
Capital return, net of transaction costs	(24,016)	-	-	-	-	(24,016)
Balance at 31 December 2021	441,474	1,006	500	353	(152,602)	290,731
Balance at 1 July 2020	465,490	3,116	2,349	264	(167,810)	303,409
Profit for the period	-	-	-	-	13,294	13,294
Net gain on interest rate swaps	-	-	194	-	-	194
Net gain on foreign exchange hedges	-	-	1,522	-	-	1,522
Exchange differences arising on translation of foreign operations	-	-	-	23	-	23
Income tax relating to components of other comprehensive income	-	-	(515)	(8)	-	(523)
Total comprehensive income for the period	-	-	1,201	15	13,294	14,510
Transactions with owners in their capacity as owners						
Purchase and issuance of treasury shares to employees	-	(1,169)	-	-	-	(1,169)
Dividend paid	-	-	-	-	(7,579)	(7,579)
Recognition of share based payments	-	42	-	-	-	42
Balance at 31 December 2020	465,490	1,989	3,550	279	(162,095)	309,213

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

Australian Vintage Ltd

Consolidated statement of cash flows

For the half-year ended 31 December 2021

	2021 \$'000	2020 \$'000
Cash Flows from Operating Activities		
Receipts from customers	137,822	157,503
Payments to suppliers and employees	(135,488)	(123,174)
Cash generated from operations	2,334	34,329
Interest paid (commercial bills)	(1,178)	(1,345)
Interest paid (resulting from leases under AASB 16)	(1,989)	(2,133)
Net cash provided by operating activities	(833)	30,851
Cash Flows from Investing Activities		
Payments for property, plant and equipment	(5,207)	(3,976)
Payments for intangible assets	(618)	-
Payments for investments held at fair value through profit or loss	(200)	-
Proceeds from sale of property, plant and equipment	1,824	3
Net cash used in investing activities	(4,201)	(3,973)
Cash Flows from Financing Activities		
Return of capital	(24,070)	-
Dividends paid	(6,821)	(7,579)
Repayments of lease liabilities	(3,102)	(3,034)
Net proceeds from / (repayments of) borrowings	40,000	(16,000)
Net cash provided by / (used in) financing activities	6,007	(26,613)
Net increase in cash and cash equivalents	973	265
Cash and cash equivalents at the beginning of the period	3,655	7,656
Cash and cash equivalents at the end of the period	4,628	7,921

The above consolidated statement of cash flows should be read with the accompanying notes

Australian Vintage Ltd

Notes to the financial statements

For the half-year ended 31 December 2021

NOTE 1: ABOUT THIS REPORT

General information

Australian Vintage Ltd is a for-profit entity, incorporated and domiciled in Australia and limited by shares which are traded on the Australian Securities Exchange (trading under the ticker code 'AVG'). The interim condensed consolidated financial statements of Australian Vintage Ltd (the 'Company') and its subsidiaries (collectively, the 'Group') for the six months ended 31 December 2021 (herein referred to as the 'half-year financial report') were authorised for issue in accordance with a resolution of the directors on 23 February 2021.

The Group's registered office is 275 Sir Donald Bradman Drive, Cowandilla SA 5033 and its principal activities are wine making, wine marketing, and vineyard management.

Basis of preparation

This general purpose half-year financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. The half-year financial report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial report for the year ended 30 June 2021.

Accounting policies, significant accounting estimates and judgements

The accounting policies, significant accounting estimates and judgements adopted in the preparation of the half-year financial report are consistent with those followed in the preparation of the Group's annual financial report for the year ended 30 June 2021, except where otherwise noted in the notes that follow for any updated or new accounting policies.

NOTE 2: REVENUE AND EXPENSES

	2021 \$'000	2020 \$'000
(a) Revenue from contracts with customers		
Sales of wine	137,066	145,939
Other	949	2,464
	138,015	148,403
(b) Other income		
Gain on disposal of property, plant and equipment	275	3
Wine equalisation tax rebate	175	175
Other rebates and grants	160	137
Rental income	33	37
Dividend income from investments held at fair value through profit and loss	28	14
Loss on unrealised foreign exchange	(21)	(31)
Interest income	17	16
Other	2	(2)
	669	349
(c) Specific expenses		
Depreciation and amortisation (excluding amortisation as a result of AASB 16)	4,045	3,992

Australian Vintage Ltd

Notes to the financial statements

For the half-year ended 31 December 2021

NOTE 3: SEGMENT INFORMATION

Effective from 1 July 2021, AVL has amended the structure of the Group's operating segments. The underlying operations of the Group remain the same and the changes are due to better aligning operating segments with how the Group monitors its core business. The 2020 segment information has been restated to reflect the Group's new segment structure.

Accounting policy– segment reporting

Operating segments are determined based on the reporting to the Chief Operating Decision Maker ('CODM'). The Group's CODM, who is responsible for allocating resources and assessing the performance of the Group has been identified as the Chief Executive Officer ('CEO').

- Australia / New Zealand: engaged in the manufacturing, sales and marketing of wine in Australia, New Zealand and the Pacific through wholesale and retail channels.
- UK, Europe & Americas: engaged in the packaging, sales and marketing of wine in the United Kingdom, Europe & the Americas through wholesale, distributor and retail channels.
- Asia: engaged in the sales and marketing of wine in Asia through wholesale channels.

The following table presents revenue and profit information for the Group's operating segments for the six months ended 31 December 2021 and 2020 (restated), respectively:

	Revenue		Profit before tax	
	2021 \$'000	2020 (restated) \$'000	2021 \$'000	2020 (restated) \$'000
Australia / New Zealand	64,811	66,209	8,828	9,556
UK, Europe & Americas	69,587	78,914	6,245	10,767
Asia	3,617	3,280	276	100
Total	138,015	148,403	15,349	20,423
Unallocated corporate expenses				
Dividend income and fair value adjustment to investments			28	-
Net interest expense (commercial bills)			(1,046)	(1,111)
Interest expense (AASB 16) ^			(261)	(289)
Profit before tax			14,070	19,023

^ note: net of interest capitalised to inventory under AASB 102

Australian Vintage Ltd

Notes to the financial statements

For the half-year ended 31 December 2021

NOTE 3: SEGMENT INFORMATION (CONT.)

Set out below is the disaggregation of the Group's revenue from contracts with customers:

For the six months ended 31 December 2021

Segments	Australia / New Zealand \$'000	UK, Europe & Americas \$'000	Asia \$'000	TOTAL \$'000
Type of goods or service				
Sales of wine	63,862	69,587	3,617	137,066
Other	949	-	-	949
	64,811	69,587	3,617	138,015
Geographical breakdown				
Australia	54,710	-	-	54,710
UK / Europe	-	66,067	-	66,067
New Zealand	4,438	-	-	4,438
Asia	666	-	3,617	4,283
North America	2,080	3,520	-	5,600
Other	2,917	-	-	2,917
	64,811	69,587	3,617	138,015

For the six months ended 31 December 2020 (restated)

Segments	Australia / New Zealand \$'000	UK, Europe & Americas \$'000	Asia \$'000	TOTAL \$'000
Type of goods or service				
Sales of wine	63,745	78,914	3,280	145,939
Other	2,464	-	-	2,464
	66,209	78,914	3,280	148,403
Geographical breakdown				
Australia	59,194	-	-	59,194
UK / Europe	-	75,710	-	75,710
New Zealand	3,890	-	-	3,890
Asia	1,485	-	3,280	4,765
North America	1,532	3,204	-	4,736
Other	108	-	-	108
	66,209	78,914	3,280	148,403

Australian Vintage Ltd

Notes to the financial statements

For the half-year ended 31 December 2021

NOTE 4: DIVIDENDS

	2021		2020	
	Cents per share	Total \$'000	Cents per share	Total \$'000
2021 final dividend – 60% franked at a tax rate of 30% (2020:				
2020 final dividend - 63% franked at a tax rate of 30%)	2.7	6,821	2.7	7,579

No dividend was declared in respect of the half-year ended 31 December 2021 (2020: nil).

NOTE 5: OTHER FINANCIAL ASSETS AND LIABILITIES

	31/12/21 \$'000	30/06/21 \$'000
Current assets		
Derivative financial instruments – foreign currency forward contracts	679	493
	679	493
Non-current assets		
Loan receivable	654	638
Investments held at fair value through profit and loss	1,405	1,205
Security deposits	165	172
Prepaid borrowing costs	145	14
Derivative financial instruments – foreign currency forward contracts	277	1,147
	2,646	3,176
Current liabilities		
Derivative financial instruments – interest rate swaps	243	506
	243	506
Non-current liabilities		
Derivative financial instruments – interest rate swaps	-	46
	-	46

Derivative financial instruments are the Group's only significant financial assets and liabilities that are measured at fair value. Details on the methods used to value the Group's derivative financial instruments are noted below.

Forward Exchange Contracts ('FECs')

FECs are measured using models which utilise inputs such as quoted foreign currency exchange rates, the date of maturity of each contract and foreign currency forward curves. Credit risk on these contracts is considered in the valuation and is generally not material. In the fair value hierarchy referred to in AASB 13, these are Level 2 valuations.

Interest rate swaps

Interest rate swaps are measured using models which utilise inputs such as quoted interest rates, the date of maturity of each contract and interest rate forward curves. Credit risk on these contracts is considered in the valuation and is generally not material. In the fair value hierarchy referred to in AASB 13, these are Level 2 valuations.

Australian Vintage Ltd

Notes to the financial statements

For the half-year ended 31 December 2021

NOTE 6: IMPAIRMENT TESTING

Effective from 1 July 2021, AVL has re-assessed its cash generating units ('CGUs') for impairment testing purposes. Based on this review, it was determined a change in the CGU structure was justified for the primary reason that the new CGU structure better reflects the current operations of the Group, which is the integrated process of growing grapes, manufacturing wine and the marketing & sales of finished products into different geographical markets. The change in CGU structure also provides better alignment to the Group's reportable segments (see note 2 for details).

Accounting policy - impairment testing

The Group tests for impairment by determining the recoverable amount of each cash generating unit ('CGU') and compares this to its carrying value. A CGU is the smallest identifiable group of assets that generate independent cashflows.

The Group's CGUs are as follows:

- Australia / New Zealand
- UK, Europe & Americas
- Asia

The Group's Goodwill and other indefinite lived intangible assets are allocated in full to the Australia / New Zealand CGU and tested for impairment annually. Other CGUs are tested for impairment when there are triggers present that indicate the carrying value of the assets may not be recoverable. The recoverable amount of each CGU is the higher of its fair value less costs of disposal and its value-in-use ('VIU').

The Group calculates VIU by using discounted cash flow calculations. These calculations use profit and loss forecasts from the Group's board approved 5-year plan for a period of 5 years and a terminal value applied to the cashflows. An impairment charge is recorded if the recoverable amount of a CGU is less than the carrying value of the assets of any CGU.

NOTE 7: OTHER

Contingent liabilities

There have been no material changes in contingent liabilities from those disclosed in the Group's 30 June 2021 Annual Report.

Events after the reporting period

There have been no matters or circumstances, other than those referred to in the half-year report or notes thereto, that have arisen since 31 December 2021, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.