MAGGIE BEER HOLDINGS

ANNUAL REPORT

20

Corporate Directory

Directors
Reg Weine (Non-executive Chairman)
Tom Kiing (Non-executive Director)
Hugh Robertson (Non-executive Director)
Maggie Beer AM (Non-executive Director)

Company Secretary
Clinton Orr

Chief Executive Officer
Chantale Millard

Registered office
2 Keith Street,
Tanunda, SA 5352
Tel: +61 3 7004 1307
Fax: +61 3 9077 9233

Principal place of business
2 Keith Street,
Tanunda, SA 5352
Tel: +61 8 7004 1307
Fax: +61 8 9077 9233

Share register
Boardroom Pty Limited
Level 12, 225 George Street, Sydney NSW 2000
GPO Box 3993, Sydney NSW 2001
Tel: 1300 737 760
Fax: 1300 653 459

Auditor
PricewaterhouseCoopers
Level 19/2 Riverside Quay
Southbank, VIC 3006

Stock exchange listing
Maggie Beer Holdings Limited shares are listed on the Australian Securities Ex-change (ASX code: MBH)

Website **maggiebeerholdings.com.au**

Corporate Governance Statement
The Company's Corporate Governance charters are located on the Company's website at the following link: www.maggiebeerholdings.com.au/investors/corporate-governance/

Share our passion of making quality premium Australian food & beverage products, using local ingredients that supports local farmers and communities

Maggie Beer Holdings represents three premium brands, that all follow the principles of making Australian premium food and beverage products using Australian ingredients that supports local dairy farmers, fruit and vegetable growers and their communities.

OUR BRANDS

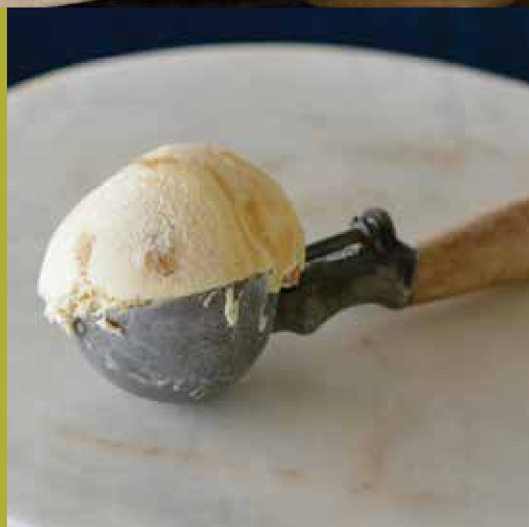
Maggie Beer Products, Paris Creek Farms and Saint David Dairy are committed to making innovative products that meet consumers demand for high quality, nutritious, convenient and indulgent food and beverage products.
All three brands resonate strongly with Australian consumers who are increasingly looking for locally produced products, which ideally positions us for growth.

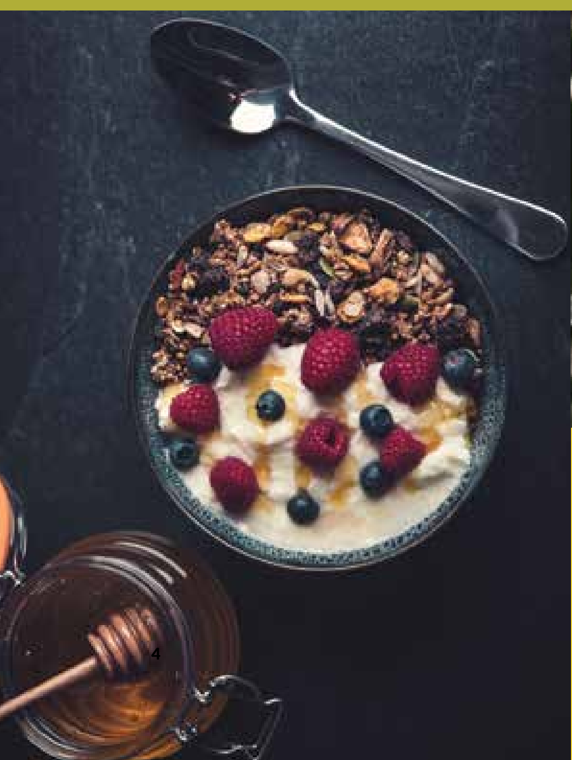
Maggie Beer Products is an iconic brand that bases its reputation on Maggie's own philosophy of using superior ingredients, in season, to produce premium cooking, entertaining and indulgent products, for the national and international markets. Flavour always comes first!

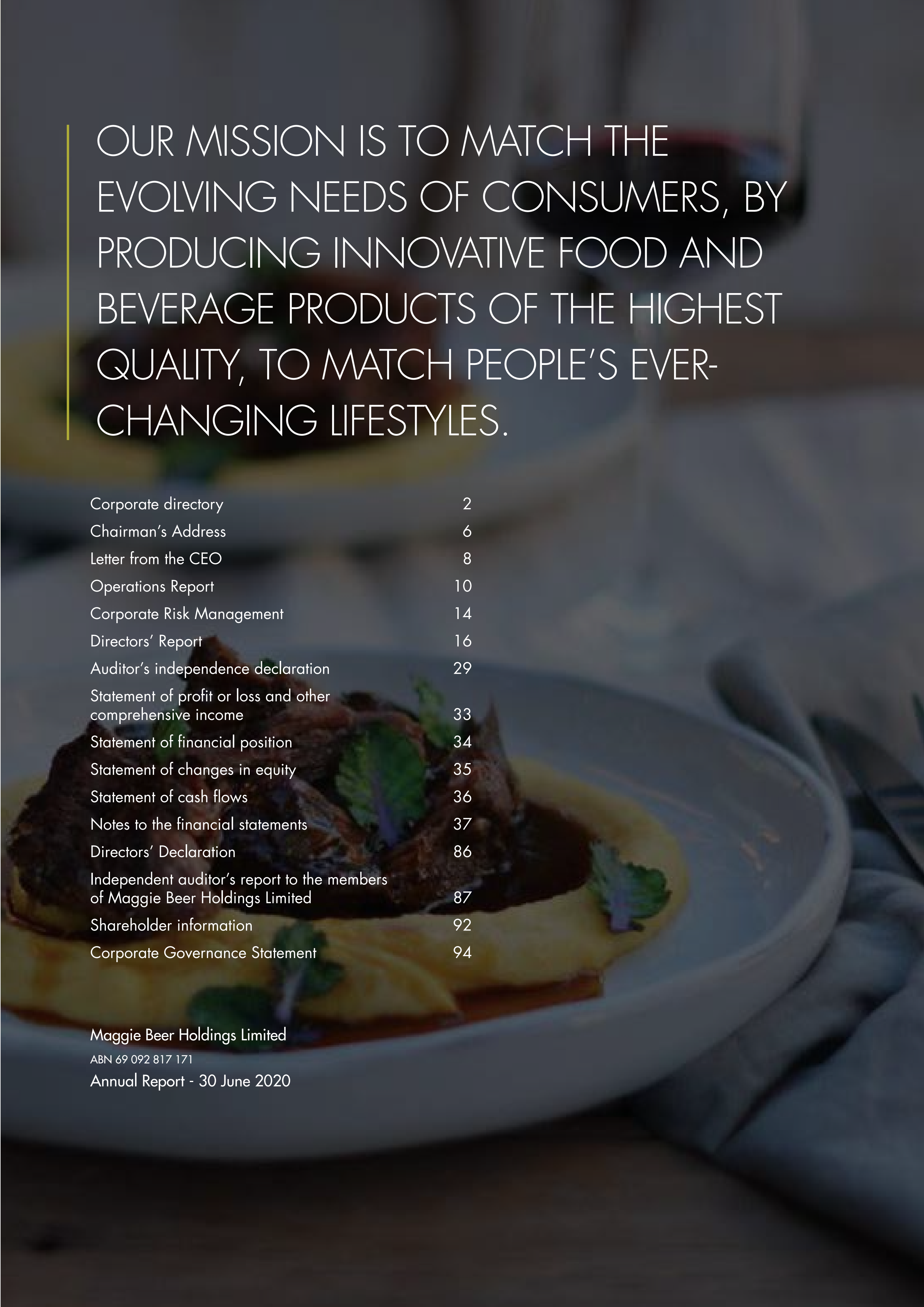
Paris Creek Farms is a leading Australian bio-dynamic organic dairy processing and manufacturing company. For more than 30 years it has created a wide range of natural dairy products in the most sustainable way and its award-winning dairy products are sold in both domestic and international markets.

Saint David Dairy is inner-Melbourne's only super premium micro-dairy. Loved by baristas, its ever-growing appeal comes from its community roots, single source dairy and its superior performing dairy products – it's based in Fitzroy – and its milk is local.

"Our three premium brands operate in high growth channels and markets, and are positioned for growth"







OUR MISSION IS TO MATCH THE EVOLVING NEEDS OF CONSUMERS, BY PRODUCING INNOVATIVE FOOD AND BEVERAGE PRODUCTS OF THE HIGHEST QUALITY, TO MATCH PEOPLE'S EVER-CHANGING LIFESTYLES.

Maggie Beer Holdings Limited

ABN 69 092 817 171

Annual Report - 30 June 2020

LETTER FROM THE CHAIRMAN

"The Group achieved its first positive trading EBITDA"

Dear Shareholders,

The 2020 financial year was extremely challenging given the devasting impacts of Australia's summer bushfires followed by the global COVID-19 pandemic. The impact of COVID-19 continues to affect the economy, our business, and the communities in which we operate. During this crisis, employee safety and wellbeing has been our primary concern. Securing our supply chain and meeting customer demand continues to be a strong focus, as is financial discipline and sustainability.

Despite these unprecedented challenges, the Group achieved its first positive trading EBITDA as a premium food and beverage Group, reflecting:

- The underlying strength of our premium brands;
- Diversified business model;
- Completion of the 'cost-out' and corporate restructuring activities.

It is also pleasing to see Group revenue increase for the full year despite the strong headwinds. Facing difficult trading conditions, our three businesses – Maggie Beer Products, Paris Creek Farms and St David Dairy – all performed well.

Maggie Beer Products continued to increase its presence in the premium entertaining categories. The "Cooking with Maggie" series demonstrated the unrivalled brand love that Maggie Beer enjoys. We also benefited from the consumer shift to online purchasing during COVID-19, through our Maggie Beer Food Club and direct to consumer model.

The turnaround in Paris Creek Farms accelerated in the second half of FY20, with strong revenue growth, manufacturing efficiency improvements and achievement of our China organic certification. Whilst there is still work to do, to reposition the portfolio and better balance the basket of dairy products that we manufacture, the foundations are solid and momentum is building.

Our Melbourne based St David Dairy business has been more adversley impacted by COVID-19 than our other businesses given the disruption to the food service and hospitality sectors and stage 4 restrictions in Victoria. However, management were quick to divert its channel focus from cafés to specialty retail during the sustained lockdown periods and despite the slowdown in H2, finished the full year with double digit revenue growth.

Reflecting the heart of our business, during the year we relocated our corporate office from Melbourne back to South Australia and reduced its size. With the overwhelming support of our shareholders, we renamed the Group, Maggie Beer Holdings, consistent with our vision and ethos.

The Group's continued success is due to our key stakeholders and the:

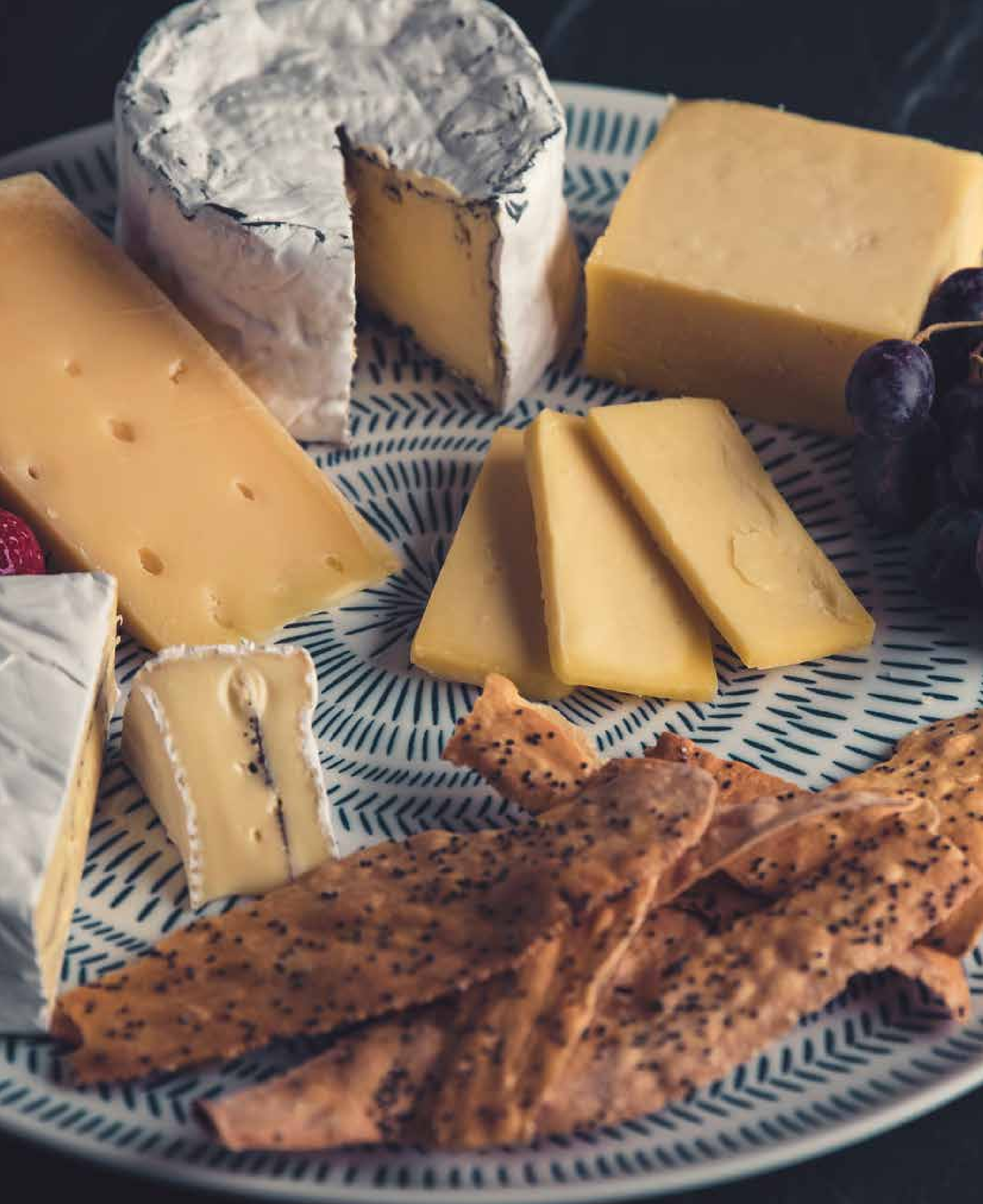
- hard work and commitment of our employees;
- support of our loyal customers and suppliers;
- strong consumer following for our premium positioned Food and Beverage portfolio.

On behalf of the Board, I would like to thank our hard-working dedicated team members, our loyal customers and suppliers, and our shareholders for their patience and continued support.

With a strong balance sheet, an enviable brand portfolio, a significant e-commerce data base, and a strong pipeline of innovative new products, Maggie Beer Holdings is positioned to grow in FY21.

I very much look forward to welcoming you at our Annual General Meeting in October and continuing to grow the Maggie Beer Holdings' portfolio of premium food and beverage brands.

Reg Weine
Chairman



"We renamed the Group, Maggie Beer Holdings, consistent with our vision and ethos."

CEO's REPORT

Dear Shareholders,

I am humbled and honoured to have been given the opportunity in FY20 to lead our great business.

The past 12 months presented the Group with many challenges, but also many opportunities. FY20 was a year of transformational change as we sustainably built on the base of our three premium Australian food and beverage brands – Maggie Beer Products, Paris Creek Farms and St David Dairy.

Group showed its resilience during extraordinarily tough trading conditions

Like many businesses, the Group faced extraordinarily tough trading conditions in FY20. Firstly, with the summer bushfires followed shortly after by the COVID-19 pandemic in March 2020, which continues to disrupt Australian and international markets and economies. The safety and wellbeing of our employees has always been paramount, with full COVID-19 response plans implemented across all businesses.

Pleasingly the Group has so far proven to be resilient. Although the three businesses have all been impacted by these events in varying degrees at different times, the Group's diversification – channels, customers, and brands – enabled it to navigate through the challenges and continue to grow.

Turnaround strategy delivering benefits with $3.9 million of savings achieved

In response to FY19's disappointing results, the Group commenced its turnaround in June 2019. The initial step was to restructure and reset the cost base of Paris Creek Farms. Following this, our corporate office was restructured, and steps were taken to implement efficiencies and refinements at Maggie Beer Products and St David Dairy.

Together, these changes generated savings in FY20 of $3.9 million across the Group. In addition, synergies were also realised, in particular between Maggie Beer Products and Paris Creek Farms, with shared distribution, finance, purchasing and Enterprise Resource Planning (ERP).

Positive financial results despite tough trading conditions

Whilst focusing on manufacturing and supply chain efficiencies, the team also worked hard to drive revenue growth across the business. Pleasingly, the Group achieved FY20 net sales of $44.5 million, up 3.8% on a comparable FY19, despite the tough trading conditions.

A key financial focus for FY20 was to return the Group to a positive cashflow run rate by the end of the financial year, which I am pleased to say we have been able to achieve. The Group also achieved a positive trading EBITDA for the first time as a premium food and beverage group in FY20.

Multiple growth platforms for profitable Maggie Beer Products

After an uplift in sales in March, as a result of consumer panic buying due to COVID-19, sales dropped in April, before rebounding in May and June, growing 25% on the same months in FY19.

The love for the Maggie Beer brand continued, with the launch of the "Cooking with Maggie" series in April 2020, which now has over 4.5 million views on social media, and resulted in a large increase in direct to consumer e-commerce sales in the last quarter of FY20.

With more people cooking and entertaining at home, we saw solid growth in the range of Maggie Beer Products, particularly cooking stocks and cheeses. New cheese lines were launched during the year, increasing Maggie Beer Products' presence in the cheese category.

Maggie Beer Products will also launch its healthy and convenient plant based ready meals nationally in Coles supermarkets, in October. The business is now focusing on growing its e-commerce presence, while expanding its core portfolio with better ranging and distribution.

Paris Creek Farms returns to positive trading EBITDA run rate

Off the back of a well-executed cost base reset in June 2019, together with a focus on gaining manufacturing efficiencies, achieving better distribution, reducing wastage and growing sales, Paris Creek Farms returned to a positive trading EBITDA run rate by the end of FY20.

With 19% net sales growth in the second half of FY20 (compared to H2 FY19), the business has good momentum entering FY21.

St David Dairy 's sales increased by 13% year on year, despite COVID- 19 impacts

St David Dairy was impacted by COVID-19 restrictions placed on the hospitality and food service businesses. However, consumer loyalty to its brand, together with its ability to contract its cost base and expand into the retail and home delivery market, St David Dairy remained cashflow positive and still achieve a double-digit EBITDA margin as well as considerable sales growth for FY20.

The business also took the opportunity to review its cost base during March and April and put in place further manufacturing efficiencies, which coupled with the enhanced diversified sales model, will set the business up for a strong FY21.

Company name change to Maggie Beer Holdings reinforced brand equity

Looking to the future and with discerning consumers increasingly looking for premium Australian food and beverage products and brands, the Board took the opportunity to change the name of the Group to Maggie Beer Holdings. In July 2020, shareholders overwhelmingly approved the name change, making the Group easily recognisable as a premium Australian food and beverage company.

Positioned for growth

After a year of cost-out, restructuring and consolidation, Maggie Beer Holdings Group is now positioned for growth. All three brands will benefit from increased ranging, brand awareness, and new product development, supported by a well-funded marketing strategy.

The past twelve months highlighted the incredible work and dedication of the teams across our three brands, and I would like to take this opportunity to thank all our amazing people. I would also like to thank our shareholders for their continued belief and support of the Maggie Beer Holdings Group.

Maggie Beer Holdings is proud to make premium Australian food and beverage products, using local produce that supports local dairy farmers, fruit and vegetable growers and their local communities. This is our very essence and the ethos of our three businesses.

Maggie Beer Products, Paris Creek Farms and St David Dairy resonate strongly with Australian consumers who are increasingly looking for high-quality food and beverages brands using locally sourced ingredients. We are excited about the future of the Maggie Beer Holdings Group and what it means for our shareholders, customers, staff, suppliers and the communities in which we operate.

Chantale Millard
CEO

> "The Company is well positioned for sustained growth with a streamlined cost base, a strong pipeline of innovative products and renewed focus on the core strengths of the individual businesses and brands"

OPERATIONS REPORT

"After much change the Board is pleased with the business turnaround in FY20."

Financial Performance

In FY20, and in particular the second half of the year, the Group faced exceptionally adverse economic conditions stemming from the summer bushfires affecting NSW, VIC and SA up to the end of February 2020, and the global COVID-19 pandemic impacting Australia from the middle of March 2020. Despite this, the Group's FY20 statutory financial results, particularly in the second half, reflect the benefits now flowing from the successful changes implemented over the past 18 months.

The Group achieved FY20 revenue of $45.6 million, incorporating a full year of St David Dairy and Maggie Beer Products. FY19 included 11 months of activities for St David Dairy (acquired on 1 August 2018) and 2.5 months of 100% activities of Maggie Beer Products, together with 9.5 months of 48% of Maggie Beer Products net profit as an associate (acquisition of the remaining 52% was completed on 15 April 2019).

The Group incurred a loss after tax of $14.8 million (FY19: loss of $21.7 million) reflecting:

- Maggie Beer Products: Continued to perform well with improved EBITDA (on a full ownership basis) even with the impact of the 2020 summer bushfires and COVID-19 pandemic.
- Paris Creek Farms: A non-cash, non-operating goodwill impairment expense of $12.1 million reduced goodwill to nil for this asset, while a sales turnaround and reduced operating costs returned the business to positive trading EBITDA run-rate late FY20.
- St David Dairy: Resilient sales growth and double-digit % EBITDA margin despite the impact of COVID-19 restrictions on the hospitality sector.
- Head Office: Reduced corporate costs.

All trading EBITDA numbers exclude the positive impact from the adoption of AASB16 on 1 July 2019 to make them comparable to FY19 EBITDA numbers.

Maggie Beer Products

Despite the impact of the summer bushfires and COVID-19 pandemic, Maggie Beer Products continued to deliver strong results with EBITDA up 35%, on a comparable FY19 basis, to $2.7 million (comparable FY19: $2.0 million). With a continued focus on operational efficiencies the business was able to increase its EBITDA margin by 3.4 points to 12.9% (comparable FY19: 9.5%).

Net sales of $20.8 million were almost flat against the prior year (comparable FY19: $20.9 million), a direct impact of the bushfires and COVID-19 pandemic. However, sales performed strongly in May and June 2020, up 25% on May and June FY19, as consumers turned to Australian brands that they know and trust. The business also saw growth from its e-commerce sales, with more consumers looking for home delivery options. Maggie Beer cheese was the number one selling line for the year with fruit paste, stocks and pate all contributing strongly.

Continuing from the successful Q4 FY18 restructure and cost out initiatives reducing labour, selling, marketing and overhead expenses, total expenses as a percentage of net sales reduced by a further 3 points to 35% in FY20 (comparable FY19: 38%).

While focusing on the business cost base, management is also concentrating on launching new products to address changing consumer tastes, with five new cheese lines launched nationally in June 2020 and its plant-based ready-made meals launching nationally in Coles in October 2020, and further new product launches planned for FY21.

Paris Creek Farms

Paris Creek Farms' performance in FY20 reflected the anticipated turnaround in sales and benefits from operational changes that started to be implemented in Q4 FY19 and continued into FY20. The business' reduced cost base and recovery in sales, underpinned a very strong improvement in EBITDA. A positive monthly trading EBITDA run-rate was achieved by the end of FY20, with H2 FY20 trading EBITDA close to break-even.

Net sales for FY20 grew by 7% to $16.0 million (FY19: $15.0 million). The second half of the year saw stronger revenue growth with sales for H2 FY20 up 19% to $8.2 million (H2 FY19: $6.9 million). Growth returned in branded dairy products in supermarkets in the core South Australia market. In supermarkets in South Australia, private label volumes also increased with strengthened relationships with key customers in major and independent markets, amongst other initiatives implemented since H2 FY19.

FY20 gross profit was up 25% to $6.9 million (FY19: $5.6 million), with gross margin percentage improving by 6.0 points to 43.3%, with H2 FY20 reaching 46.3%, its highest level since acquisition. This improvement is the result of the business' focus on increasing sales of its more profitable and higher volume lines, reduced overhead costs, less wastage and better utilisation of the business' manufacturing assets and milk pool.

Paris Creek Farms' farmers continue to deliver milk in accordance with its supply growth trajectory, with any excess milk over the spring months being on-sold to third parties.

Significant savings resulted from successful cost reduction initiatives implemented since Q4 FY19, with total expenses reduced by $1.6 million over FY20 (equivalent to $2.2 million at FY19 sales levels). Labour costs reduced significantly, being 10 points lower than FY19 as a percentage of sales.

Overall, excluding non-recurring significant items, Paris Creek Farms FY20 EBITDA was $3.0 million higher than a comparable FY19. Further refinements to its cost base and improving sales and products mix, are expected to underpin further growth in FY21.

St David Dairy

St David Dairy has proven to be tremendously resilient in the face of COVID-19 related restrictions imposed on the hospitality and foodservice sector across Australia from mid-March 2020, with the business still managing to grow sales in Q4 FY20. Sales for the month of June 2020 prior to stage 4 restrictions, were back to the growth rate enjoyed in H1 FY20.

The business experienced a short but sharp drop in sales in the last 2 weeks of March 2020 when a large number of hospitality businesses scrambled to adapt to the new COVID-19 restrictions imposed by the State Governments. St David Dairy responded to the sudden change by contracting its cost base, channelling any excess milk in March to other processors and expanding its footprint into grocers and independent retailers.

Despite the exceptionally adverse conditions, St David Dairy continued to deliver revenue growth and increased customer numbers. Sales were up 13% to $8.2 million (comparable FY19: $7.2 million), with the number of ordering customers (stores/cafes) up 20% (up 18% from H2 FY19).

Although milk sales slowed in late March and early April 2020, sales regained momentum in May and June 2020, and continue to be the largest product category at 67% of total net sales (FY19: 73%). FY20 milk sales were up 4% compared to FY19, and the introduction of plant-based milk has seen some diversification with its share now 4% of total sales (FY19: Nil). The sales increase to retailers in Q4 FY20 resulted in a 59% increase in yoghurt sales (compared to FY19 on a full ownership basis). The continuing growth in demand by our Sydney based distributor, coupled with an increased demand by bakeries and restaurants, underpinned growth in butter and cream sales (up 17% and 39% respectively compared to FY19 on a full ownership basis).

Gross Profit (GP) reflected the positive sales performance for the period. However, gross margin percentage was adversely impacted by industry wide increasing milk (up 10% on a comparable FY19) and cream costs (up 5% on a comparable FY19) resulting in a 2.6 point decrease in gross margin percentage to 52.0% (comparable FY19: 54.6%).

FY20 EBITDA of $1.0 million was directly impacted by raw material cost increases, while the renewal of the ageing truck fleet at the start of H2 FY20 mitigated some of the extra freight costs incurred in H1 FY20 and will contribute positively to future EBITDA margin. Labour costs stabilised in FY20 and finished in line with FY19 as a percentage of sales, despite some reduced activity in parts of March and April 2020.

St David Dairy has proven particularly agile and resilient in responding to COVID-19 challenges and with milk and cream input prices softening in FY21 and its new diversified business model, the business is expected to continue to grow in FY21, under current trading conditions.

Corporate

Shared services and corporate office costs of $2.5 million (excluding one-off items) were $2.0 million lower (comparable FY19: $4.5 million), with employee costs the most significant component. FY20 included net one off costs of $0.5 million (H1 FY19: $0.1 million) related to the corporate office restructure, offset by a claim settlement and COVID-19 government grants.

The corporate office was realigned to meet current Group requirements.

Balance Sheet

The Group is supported by a strong balance sheet with net assets of $50.6 million (30 June 2019: $65.5 million), including a cash balance of $7.2 million at 30 June 2020 (30 June 2019: $9.8 million) and an undrawn invoice finance facility of $3 million.

The decrease in net assets is mainly a result of the $12.1 million non-cash full impairment of Paris Creek Farms' goodwill at 31 December 2019.

With a reduced cost base across the Group, a turnaround in sales in Paris Creek Farms, and collections from Maggie Beer Products' seasonal sales, positive operating cashflow of $3.1 million was generated in H2 FY20. The lower cash balance over the course of FY20 was mainly due to corporate office restructure costs and cash funding to Paris Creek Farms in H1 FY20.

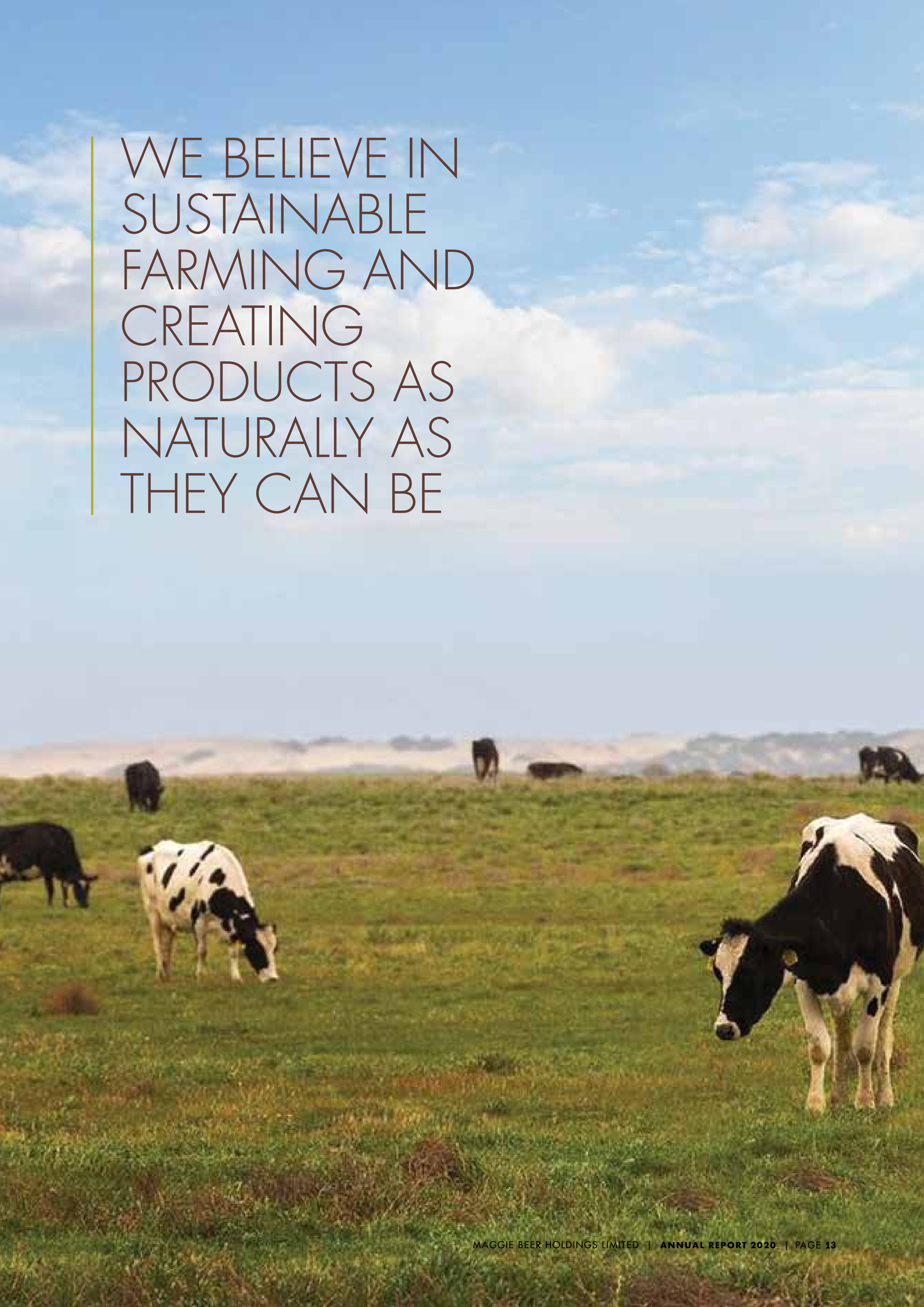
Inventory at 30 June 2020 was $3.5 million (30 June 2019: $3.6 million) or 7.9% of annualised sales (FY19: 8.5%), with Maggie Beer Products holding $2.5 million of stock (30 June 2019: $2.7 million) and Paris Creek Farms $0.8 million (30 June 2019: $0.8 million). Overall working capital for the company is at circa 10% of sales (excl. AASB16 impacts), a decrease of 4 points compared to 31 December 2019 as a result of the collection in H2 FY20 of the stronger H1 FY20 Maggie Beer Products sales.

The adoption of AASB16 Leases from 1 July 2019 has had a negligible impact on the Group's net assets ($0.0 million).

A disciplined approach to working capital and the Group's cash management will continue.

Outlook

Despite the significant challenges during the year, the Board is pleased with the business turnaround in FY20 and anticipates that the Group is now in a strong position to capitalise on the growth opportunities for its premium branded food and beverage portfolio. With a continued focus on working capital initiatives, a strong innovation pipeline and increasing consumer demand, the business should deliver long term sustainable growth for the Group, and shareholder value.



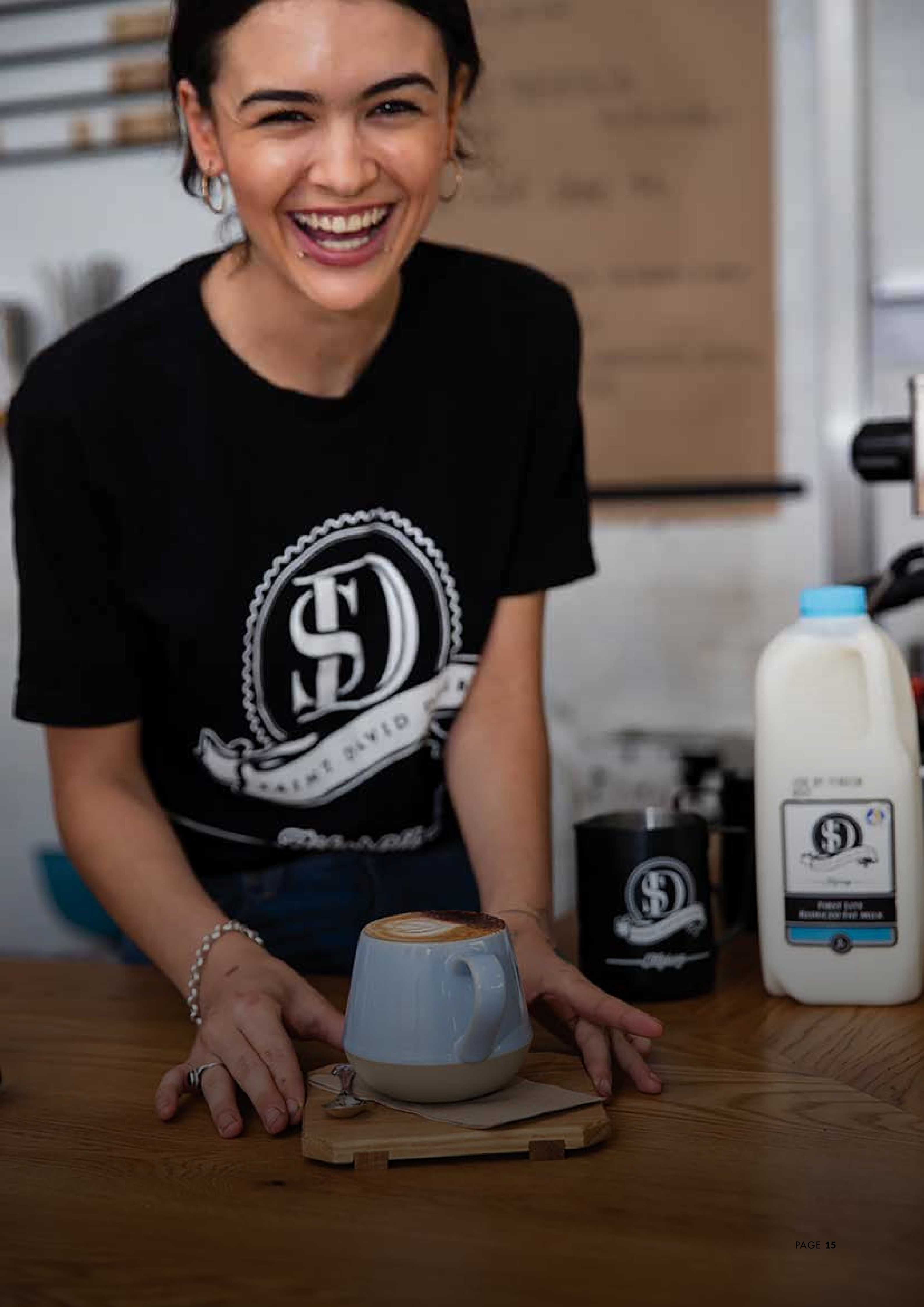
WE BELIEVE IN SUSTAINABLE FARMING AND CREATING PRODUCTS AS NATURALLY AS THEY CAN BE

CORPORATE RISK MANAGEMENT

The Company is committed to the effective management of risk to reduce uncertainty in the Group's business outcomes and to protect and enhance shareholder value. There are various risks that could have a material impact on the achievement of the Group's strategic objectives and future prospects.

Key risks and mitigation activities associated with the Company's objectives are set out below:

Risk	Mitigation action
Dairy Prices	• Delivery of the Company's strategic initiatives focused on shifting the product mix to value added products to reduce the exposure to price movements. • Fixed in prices within farmer supplier contracts.
Milk supply	• Contracts with all farmer suppliers to capture available supply. • Provide farmer suppliers incentives to grow their milk pool. • Provide incentives to attract new farmer suppliers to convert from conventional farming to biodynamic organic farming.
Profitable Growth	• Establishing prices to reflect the premium nature of the product range. • Targeted sales channels to maximise distribution. • Focused allocation of milk supply to maximise the profitability of the product portfolio. • Optimisation of the existing product portfolio complemented with new product development. • Target investment in delivering growth strategies into new markets.
COVID-19	• All production facilities of the Group have enacted a COVID-19 response plan, which includes following Government recommendations and imposed restrictions, physical distancing measures, increased sanitisation and cleaning procedures, a higher level of personal protective clothing, temperature checks and contactless delivery. • Full business segregation measures have been put in place within all three manufacturing sites, to ensure isolated shutdowns and continuing operations should a staff member become infected with COVID-19. • Alternative production sites were identified wherever possible, in case a site was shut down due to COVID-19. • Where possible, staff have been directed to work from home. • Employee safety and wellbeing is paramount with strict COVID-19 testing regimes and support in place for employees who feel unwell.
People safety	• Focus on safety through active identification and management of safety hazards and operational risks. • Continued capital investment to mitigate safety hazards.
Product quality and safety	• Continue to deliver food quality and safety disciplines with absolute commitment to meeting or exceeding all food safety requirements. • Continued capital investment to support the production of quality prodcts.
Environmentally sustainable business practices	• Mechanisms in place to identify, manage and monitor compliance with key environmental requirements. • Focus on reducing environmental footprint through effective management of emissions. • Continued investments to increase operational effectiveness and efficiency of productive assets. • The Group employs suitable people to monitor and manage compliance.
Change in regulations	• The Group employs suitable people to monitor and manage compliance.
Attraction, retention of key roles	• Experienced leadership team to deliver key strategic initiatives and execution of business plans. • Further investment in talent to continue to align with the Group's organic growth plans.



DIRECTORS' REPORT

"With Maggie Beer Products direct to consumer sales growing by 220% in Q4 of FY20, we have the opportunity to capitalise on its growing Food Club membership and on-line social media presence to grow revenue"

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Maggie Beer Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

The following persons were directors of Maggie Beer Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Reg Weine (Non-executive Chairman) (appointed 13 March 2020)

Tom Kiing (Non-executive Director)

Hugh Robertson (Non-executive Director)

Maggie Beer AM (Non-executive Director)

Tony Robinson (Non-executive Chairman) (retired 29 November 2019)

Laura McBain (Managing Director) (resigned 27 November 2019)

Principal activities

During FY20, the principal continuing activities of the consolidated entity was the sale of branded premium food and beverage in Australia and overseas markets.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $14.8 million (30 June 2019: $21.7 million).

Financial Position

The net assets of the consolidated entity decreased by $14.9 million to $50.6 million (30 June 2019: $65.5 million). This decrease was mainly due to the non-cash impairment charge to goodwill relating to Paris Creek Farms of $12.1 million.

Operating results for the year

The consolidated entity reported a net loss after tax of $14.8 million for the financial year (FY19: loss of $21.7 million). The reduced net loss achieved reflected a resilient performance from all operating businesses in the face of exceptionally adverse economic conditions due to the summer bushfires and COVID-19 pandemic. The net loss after tax of $14.8m, included the $12.1 million non-cash goodwill impairment of Paris Creek Farms at 31 December 2019.

Significant changes in the state of affairs

On 30 October 2019 the Company announced the resignation of Laura McBain as Managing Director and Chief Executive Officer, and the appointment of Chantale Millard as the acting Chief Executive Officer. Laura McBain's resignation took effect on 27 November 2019, with Chantale Millard being formally appointed as the Chief Executive Officer on 2 December 2019.

On 27 November 2019 the Company announced the resignation of Michael Caragounis as Chief Financial Officer of the Company at the end of January 2020.

On 29 November 2019 the

Company announced the retirement of Tony Robinson as the Chairman and Non-Executive Director of the Company.

On 13 March 2020, the Company announced the appointment of Reg Weine as Non-Executive Chairman.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 16 July 2020, the Company held a General Meeting of shareholders where the following resolutions were approved by the shareholders:

- Change of name to Maggie Beer Holdings Limited
  In accordance with the Boards strategy to refresh and enhance the Company's brand, the name of the company was changed from Longtable Group Limited to Maggie Beer Holdings Limited. The Board believes that changing the name of the Company to Maggie Beer Holdings Limited better reflects the Company's core focus, whilst the Maggie Beer brand provides a premium halo for the Company's diverse product portfolio. Maggie Beer Holdings will be instantly recognised by shareholders, employees, customers and consumers of the Company's products. The Board hopes that the proposed new name will help to facilitate an improved understanding of the Company's businesses and our potential for growth.
- Non-executive directors' fees taken in shares
  The Director Fees Plan was established to allow the Company's directors to elect, from time to time, to be paid their remuneration through the issue of Shares in the Company, rather than as a cash payment. The Board believes the Director Fees Plan will form an important part of the remuneration for the Company's non-executive Directors that elect to participate in the Director Fees Plan, aligning their interests with those of Shareholders by linking their remuneration to the long term success of the Company and its financial performance.
- Chairman's options
  4,500,000 Options were issued to the Chairman, Reg Weine, under the Company's Employee Share Option Plan.

On 20 August 2020, after the Board considered the Group's strong balance sheet and cash position, the Company repaid a $400,000 loan in full early, together with accrued interest, to the Beer Family Holdings Pty Ltd as trustee for the Beer Family Trust.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The future developments of the consolidated entity includes leveraging the strength of each brand, growing the distribution points for each business, launching new products, creating further synergies across the group and driving brand awareness through targeted marketing campaigns.

Information on these developments is included in the review of operations and activities.

Environmental regulation

The Company takes a proactive approach in relation to the management of environmental matters. Paris Creek Farms is licenced under the *Environment Protection Act 1993* to undertake milk processing works. In accordance with customary wastewater management practices for a dairy facility, wastewater generated by the plant is tanked offsite and fully utilised by a business local to the Paris Creek Farms, which includes the wastewater in its compost matter.

The EPA has approved Paris Creek Farms' action plans in regards to wastewater generated at the site.

All other significant environmental risks have been reviewed and the Group has no other legal obligation to take corrective action in respect of any environmental matter.

Information on Directors

REG WEINE

Non-executive Chairman
(appointed 13 March 2020)

Experience and expertise:

Reg Weine is a dynamic and trusted executive with over 25 years' experience in agri-food and FMCG businesses, including the past 10 years as Managing Director/ CEO. Reg has worked with large companies and leading brands including SPC Ardmona (Coca-Cola Amatil), Bulla Dairy Foods, and Blackmores. His FMCG experience includes international expansion and new market entry and Reg has a deep understanding of global food & beverage markets including China.

Reg is on the Board of the Apple and Pear Association Ltd (APAL) as well as Starlight Children's Foundation. He was previously a Board Member of the Australia Food & Grocery Council (AFGC) and past Chair of the AFGC's Sustainability Committee. Reg has a Bachelor of Business from Monash University, is a Graduate of the Australian Institute of Company Directors (GAICD) and is a Certified Practising Marketer and Fellow with the Australian Marketing Institute.

Other current directorships: None

Former directorships (last 3 years): None

Special responsibilities:

Member of the Audit and Risk Committee and member of the Remuneration and Nomination Committee

Interests in shares: None

TOM KIING

Non-executive Director

Experience and expertise:

Board member since July 2008, Tom is also a director of Bridge Capital Pty Ltd, an Australian technology investment firm that manages a portfolio of investments in the IT sector. Tom also sits on the Board of The Atomic Group, a retail and footwear company in Australia which holds the Adidas license in Australia. Tom has extensive experience as a technology, retail and consumer brand executive in building and growing businesses in the field. Tom travels extensively through the ASEAN region to promote a wide range of Australian investment opportunities to Asian institutions and private investors.

Other current directorships: None

Former directorships (last 3 years):
Melbourne IT Limited (ASX: MLB) - resigned 30 September 2017

Special responsibilities:
Chairman of Audit and Risk Committee and a member of the Remuneration and Nomination Committee

Interests in shares:
8,429,010 fully paid up ordinary shares

Interests in options: None

HUGH ROBERTSON

Non-executive Director

Experience and expertise:

Hugh is a senior investment adviser with Bell Potter. He has worked in the stockbroking industry for 36 years with a variety of firms including Falkiners stockbroking, Investor First and Wilson HTM. Among his areas of interest is a concentration on small cap industrial stocks.

Other current directorships:
Envirosuite Ltd (ASX :EVS) (Appointed 1 November 2018)

Former directorships (last 3 years):
TasFoods Limited (ASX: TFL) - resigned 10 February 2017 AMA Limited (ASX: AMA) - resigned 3 August 2018 Centrepoint Alliance Limited (ASX: CAF) (resigned 29 October 2018)

Special responsibilities:
Member of Audit and Risk Committee and chairman of Remuneration and Nomination Committee

Interests in shares:
2,508,421 fully paid up ordinary shares

Interests in options: None

MAGGIE BEER AM

Non-executive Director

Experience and expertise:

Maggie Beer's career in the food industry spans over 40 years, beginning as a farmer at the Pheasant Farm in 1979, whereby the fresh, seasonal ingredients produced led to a farm shop in the Barossa, and soon after a Nationally acclaimed restaurant, followed by a commercial food production business, Maggie Beer Products.

Maggie was Telstra South Australia Business Woman of the Year in 1997, Senior Australian of the Year 2010 and once again in 2011, appointed as a Member of the Order of Australia in 2012 and awarded an honorary doctorate of Macquarie University in 2013, and honorary doctorate of the University of South Australia in 2016 in recognition of her achievements in tourism, hospitality and the promotion of Australian cuisine. In addition to this, Maggie established the Maggie Beer Foundation in 2014 to improve the food experiences for older Australians, particularly those living within aged care homes.

Maggie Beer joined the board of the consolidated entity as part of the acquisition of Maggie Beer Products Pty Ltd by the group. Maggie continues to play a pivotal role in the growth and strategy of the Maggie Beer Products business as well remaining deeply involved in the development of new and exciting products.

Other current directorships: None

Former directorships (last 3 years): None

Special responsibilities: None

Interests in shares: 6,295,332 fully paid up ordinary shares (4,650,000 of these shares are held in escrow until 15 April 2021)

Interests in options: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Information On Directors (Continued)

Company Secretary

Mr Clinton Orr

Clinton holds a Bachelor of Law and Bachelor of Commerce. He is General Counsel and Company Secretary for the Company and brings to the role over ten years of relevant experience, having worked with ASX listed organisations as a General Counsel, Company Secretary and in private practice.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

Retirement, election and continuation in office of directors

The Board of Directors (Board) has power to appoint persons as Directors to fill any vacancies. Other than those Directors appointed during the year, one-third (or the nearest number to) are required to retire by rotation at each annual general meeting and are eligible to stand for re-election together with those Directors appointed during the year to fill any vacancy who must retire and stand for election.

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Reg Weine	5	5	1	1
Tony Robinson	5	5	1	1
Tom Kiing	14	14	2	2
Hugh Robertson	14	14	1	2
Maggie Beer	11	14	2	2
Laura McBain	4	4	1	1

Held: represents the number of meetings held during the time the director held office.

Remuneration Report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of renumeration
- Details of remuneration
- Executive contracts
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

No external specialist remuneration advice is sought in respect of remuneration arrangements for Non-Executive Directors of the Board and Key Management Personnel of the Group during the year. General reward advice is sought on an ad hoc basis.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

Maggie Beer has committed to a two-year period as brand ambassador from April 2019, continuing her association with the Maggie Beer brand, its product development program and customer relationship. Maggie Beer receives fees of $13,092 per month for her services. Maggie Beer received $157,104 for services provided during the year.

Each Non-Executive Director receives a fee for being a Director of the Company but no additional fees for sitting on or chairing committees. Director Fees are inclusive of superannuation entitlements. All Non-Executive Directors except the company's Chairman have elected to receive their fees in shares in the company.

On 16 July 2020, the Company held a General Meeting of shareholders where the following items were approved by the shareholders:

- Issue of up to 4,500,000 Options to Reg Weine (or his nominee) under the Company's Employee Share Option Plan.
- Issue of Shares in the Company to Tom Kiing (or his nominee under the Company's Director Fees Plan.
- Issue of Shares in the Company to Hugh Robertson (or his nominee) under the Company's Director Fees Plan.
- Issue of Shares in the Company to Maggie Beer (or her nominee) under the Company's Director Fees Plan.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives responsible for meeting those targets. Short-term incentives are used to differentiate rewards based on performance on a year by year basis. The principal performance indicator of the short-term incentive plan is the Group's financial performance. The financial performance measurements selected are revenue growth and Earnings Before Interest Tax Depreciation and Amortisation (EBITDA). They have been selected as the most appropriate measures of trading performance, and are calculated based on a percentage above a revenue and EBITDA threshold level. This allows the individual to be rewarded for growth in revenue and profitability of the company. The percentage and threshold level can differ for each individual and are reviewed every year. The revenue and EBITDA thresholds are determined based on the ability of the Key Management Personnel to influence the Group's earnings.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares and options are occasionally awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Voting and comments made at the company's 2019 Annual General Meeting ('AGM')

At the 2019 AGM, 98.7% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Executive contracts

The remuneration and other terms of employment for executives are covered in formal employment contracts that have no fixed terms. The group may terminate an executive's employment contract immediately for cause, in which case the executive is not entitled to any payment other than the value of total fixed remuneration (and accrued entitlements) up to the termination date

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Maggie Beer Holdings Limited:

- Reg Weine (appointed 13 March 2020)
- Tom Kiing
- Hugh Robertson
- Maggie Beer AM
- Laura McBain (resigned 27 November 2019)
- Tony Robinson (retired 29 November 2019)

And the following persons:

- Chantale Millard (Chief Executive Officer) (appointed 2 December 2019)
- Michael Caragounis (Chief Financial Officer) (resigned 23 January 2020)

Table A: KMP remuneration for the year ended 30 June 2020

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2020	Cash salary and fees $	Bonus $	Others* $	Super-annuation $	Long Service Leave $	Equity Settled $	Total $
Non-Executive Directors:							
Reg Weine**	17,580	-	-	1,670	-	-	19,250
Tom Kiing***	20,000	-	-	-	-	20,000	40,000
Hugh Robertson***	18,265	-	-	1,735	-	20,000	40,000
Maggie Beer***	18,265	-	-	1,735	-	20,000	40,000
Tony Robinson**	22,831	-	-	2,169	-	-	25,000
Executive Directors:							
Laura McBain**	152,280	-	180,390	7,001	-	-	339,671
Other Key Management Personnel:							
Chantale Millard	278,997	135,000	-	21,003	-	-	435,000
Michael Caragounis**	222,779	-	122,085	12,459	-	-	357,323
	750,997	135,000	302,475	47,772		60,000	1,296,244

* These include termination payments made to Laura McBain and Michael Caragounis of $180,390 and $122,085 respectively.

** Reg Weine appointed 13 March 2020 as Non-executive Chairman. Laura McBain resigned 27 November 2019 as Managing Director. Michael Caragounis resigned 23 January 2020 as Chief Financial Officer. Tony Robinson retired 29 November 2019 as Non-executive Chairman.

*** Non-executive directors have agreed to have their salaries settled for shares in the Company in lieu of cash for the second half year of FY20. This amounts to $20,000 each for Tom Kiing, Hugh Robertson and Maggie Beer respectively."

Table B: KMP remuneration for the year ended 30 June 2019

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2019	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long Service Leave $	Equity Settled $	Total $
Non-Executive Directors:							
Tony Robinson	54,795	-	-	5,205	-	-	60,000
Tom Kiing	40,000	-	-	-	-	-	40,000
Hugh Robertson	36,530	-	-	3,470	-	-	40,000
Maggie Beer	7,610	-	-	723	-	-	8,333
Executive Directors							
Laura McBain*	329,951	-	-	20,531	1,140	69,994	421,616
Other Key Management Personnel:							
Michael Caragounis**	334,469	-	-	20,531	920	10,150	366,070
	803,355	-	-	50,460	2,060	80,144	936,019

* During the year the Company issued 4,700,000 options and 600,000 performance rights to Laura McBain. In accordance with AASB 2- Share Based Payments, a share-based payment expense of $69,994 has been accounted for during the financial year.

** During the year the Company issued 600,000 options and 189,333 performance rights to Michael Caragounis. In accordance with AASB 2- Share Based Payments, a share-based payment expense of $10,150 has been accounted for during the financial year.

Refer to notice of AGM as announced 28 November 2018 for details of the performance conditions for share based payments.

Table C: Proportion of KMP's fixed remuneration and remuneration linked to performance

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	*2020*	*2019*	*2020*	*2019*	*2020*	*2019*
Non-Executive Directors:						
Reg Weine	100%	-	-	-	-	-
Tom Kiing	100%	100%	-	-	-	-
Hugh Robertson	100%	100%	-	-	-	-
Maggie Beer	100%	100%	-	-	-	-
Tony Robinson	100%	100%	-	-	-	-
Executive Directors:						
Laura McBain	100%	83%	-	-	-	17%
Other Key Management Personnel:						
Chantale Millard	69%	-	31%	-	-	-
Michael Caragounis	100%	97%	-	-	-	3%

Share-based compensation

No options or performance rights were granted as remuneration to KMP during FY19

Table D: Number of options granted as remuneration to KMP during FY19

KMP	Grant date	Number granted	Value per Option	Number Vested
Laura McBain*	28/11/2018	940,000	0.03	-
Laura McBain*	28/11/2018	3,760,000	0.06	-
Michael Caragounis**	28/11/2018	120,000	0.03	-
Michael Caragounis**	28/11/2018	480,000	0.06	-

* Laura McBain resigned 27 November 2019 as Managing Director and the options above have been forfeited.
** Michael Caragounis resigned 23 January 2020 as Chief Financial Officer and the options above have been forfeited.

Table E: Movements during FY20 in the options over shares in the Company held directly, indirectly or beneficially, by each KMP, including their related parties

	Balance at start of year	Received as part of remuneration	Additions	Disposals/ Other	Total	Number Vested
Laura McBain*	7,500,000	-	-	(7,500,000)	-	-
Michael Caragounis**	600,000	-	-	(600,000)	-	-
	8,100,000	-	-	(8,100,000)	-	-

* Laura McBain resigned 27 November 2019 as Managing Director.
** Michael Caragounis resigned 23 January 2020 as Chief Financial Officer.

Table F: Terms and Conditions of options over ordinary shares affecting remuneration of directors and KMP

Grant date	Vesting/ exercisable date	Expiry date	Exercise Price	Number of options	Fair value per option at grant date
13/10/2017	13/10/2017	13/10 2022	$0.50	2,800,000	$0.20
28/11/2018	30/06/2020	28/11 2023	$0.75	1,060,000	$0.03
28/11/2018	30/06/2021	28/11 2023	$0.75	1,590,000	$0.06
28/11/2018	30/06/2021	28/11 2023	$0.75	2,650,000	$0.06

Following Laura McBain and Michael Caragounis' resignation on 27 November 2019 and 23 January 2020 respectively, the options above have been forfeited.

There were no performance rights over ordinary shares granted to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2020.

Table G: Number of performance rights affecting remuneration of directors and KMP

The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Number of rights granted during the year 2020	Number of rights granted during the year 2019	Number of rights vested during the year 2020	Number of rights vested during the year 2019
Laura McBain*	-	600,000	-	-
Michael Caragounis**	-	189,333	47,333	-

* Laura McBain resigned 27 November 2019 as Managing Director, causing the performance rights above to be forfeited.
** Michael Caragounis resigned 23 January 2020 as Chief Financial Officer, causing the unvested performance rights above to be forfeited.

Table H: Movement during FY20 in the performance rights over shares in the Company held directly, indirectly or beneficially, by each KMP, including their related parties

	Balance at start of year	Received as part of remuneration	Additions	Disposals / Other	Total	Number Vested
Laura McBain*	600,000	-	-	(600,000)	-	-
Michael Caragounis**	189,333	-	-	(142,000)	-	47,333
	789,333	-	-	(742,000)	-	47,333

* Laura McBain resigned 27 November 2019 as Managing Director, causing the performance rights above to be forfeited.
** Michael Caragounis resigned 23 January 2020 as Chief Financial Officer, causing the unvested performance rights above to be forfeited.

Table I: Terms and Conditions of performance rights affecting remuneration of directors and KMP

Grant date	Vesting date	Expiry date*	Number of performance rights	Fair value per right at grant date
28/11/2018	30/06/2019	31/08/2019	$167,333	$0.01
28/11/2018	30/06/2020	31/08/2020	$167,333	$0.03
28/11/2018	30/06/2021	31/08/2021	$167,333	$0.06
28/11/2018	30/06/2021	31/08/2021	$287,334	$0.06

*Performance rights expire 60 days after notice of vesting or otherwise at date noted. Performance rights granted carry no dividend or voting rights.
Following Laura McBain and Michael Caragounis' resignation on 27 November 2019 and 23 January 2020 respectively, the unvested rights above have been forfeited.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2020 are summarised below:

	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
Sales revenue	45,555	25,753	8,733	-	-
Net loss before tax	(14,754)	(24,160)	(7,694)	(10,293)	(1,827)
Loss after income tax	(14,754)	(21,656)	(6,670)	(10,293)	(1,827)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017*	2016*
Share price at financial year end ($)	0.140	0.210	0.730	0.016	0.040
Basic earnings per share (cents per share)	(7.120)	(16.726)	(10.308)	(40.571)	(24.250)
Diluted earnings per share (cents per share)	(7.120)	(16.726)	(10.308)	(40.571)	(24.250)

The value of basic and diluted earnings per share relating to 2015 - 2017 years have been adjusted to reflect the share consolidation of 25:1 completed in 2018. No dividend has been paid in the past 5 years.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at start of year	Received as part of remuneration	Additions/Other	Disposals/Other**	Balance at the end of year
Ordinary shares					
Tony Robinson**	1,561,793	-	-	(1,561,793)	-
Hugh Robertson	2,129,586	-	378,835		2,508,421
Tom Kiing	8,429,010	-	-		8,429,010
Maggie Beer*	4,895,332	-	1,400,000		6,295,332
Chantale Millard	6,593	-	-		6,593
Laura McBain**	4,498,120	-	-	(4,498,120)	-
Michael Caragounis**	200,000	-	-	(200,000)	-
	21,720,434		1,778,835	(6,259,913)	17,239,356

* Shares held by Maggie Beer include shares issued as a part of the purchase price for Maggie Beer Products Pty Ltd, an acquisition completed during the 2019 financial year. These shares are held in escrow until 15 April 2021.

** Laura McBain resigned 27 November 2019 as Managing Director and her shareholdings are no longer disclosed.
Michael Caragounis resigned 23 January 2020 as Chief Financial Officer and his shareholdings are no longer disclosed.
Tony Robinson retired 29 November 2019 as Non-executive Chairman and his shareholdings are no longer disclosed..

"Other transactions with key management personnel and their related parties

As a part of the purchase of Maggie Beer Products Pty Ltd (""MBP"") 1 Convertible Note was issued to the then owner of MBP, Beer Family Holding Pty Ltd ATF Beer Family Trust.
The fair value of the convertible note issued was $0.5 million, with terms including:
i) 12 months maturity with no coupon;
ii) Redeemable from completion date through to maturity for scrip at the holder's election;
iii) Redeemable at maturity for either cash or scrip at the holder's election;
iv) Conversion price of 20 cents if scrip is elected.

Upon maturity, the Group has funded $100,000 of the redemption amount out of the Group's cash reserves, with the balance of $400,000 as loan funds advanced by the Note Holder to the Group. The Group and the Note Holder have entered into a loan agreement for the $400,000 loan, which is unsecured. The loan was repaid on 20 August 2020.

Maggie Beer has committed to a two-year period as brand ambassador, continuing her association with the Maggie Beer brand, its product development program and customer relationship. Maggie Beer receives fees of $13,092 per month for her services. Maggie Beer received $157,104 for services provided during the year.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Maggie Beer Holdings Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
17 December 2013	18 December 2020	$1.500	50,321
16 July 2020	16 July 2024	$0.150	1,500,000
16 July 2020	16 July 2024	$0.180	1,500,000
16 July 2020	16 July 2024	$0.200	1,500,000
			4,550,321

Shares under performance rights

Unissued ordinary shares of Longtable Group Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date*	Number under rights
28-November 2018	31 August 2021	15,667
28-November 2018	31 August 2021	15,667
		31,334

* Performance rights expire 60 days after notice of vesting or otherwise at date noted.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options or performance rights

The following ordinary shares of Maggie Beer Holdings Limited were issued during the year ended 30 June 2020 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Number of shares issued
Ordinary fully paid shares issued following the vesting and exercise of Performance Rights	125,666

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

The Company has indemnified each Director referred to in this report, the Company Secretary and previous Directors and secretaries (Officers) against all liabilities or loss (other than to the Company or a related body corporate) that may arise from their position as Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the *Corporations Act*. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an Officer of the Company.

The Company has also indemnified the current and previous Directors of its controlled entities and certain members of the Company's senior management for all liabilities and loss (other than to the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the *Corporations Act*.

The Company has executed deeds of indemnity in terms of Article 27 in favour of each Non-Executive Director of the Company and certain Non-Executive Directors of related bodies corporate of the Company as well as with the Company Secretary.

The Company has paid insurance premiums in respect of Directors' and Officers' liability insurance contracts, for Officers of the Company and of its controlled entities. The insurance cover is on standard industry terms and provides cover for loss and liability for wrongful acts in relation to the relevant person's role as an Officer, except that cover is not provided for loss in relation to Officers gaining any profit or advantage to which they were not legally entitled, or Officers committing any criminal, dishonest, fraudulent or malicious act or omission, or any knowing or wilful violation of any statute or regulation. Cover is also only provided for fines and penalties in limited circumstances and up to a small financial limit.

The insurance does not provide cover for the independent auditors of the Company or of a related body corporate of the Company.

In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

DIRECTORS' REPORT (Continued)

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Officers of the company who are former partners of PricewaterhouseCoopers

There are no officers of the company who are former partners of PricewaterhouseCoopers.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

Reg Weine

Non-Executive Chairman
27 August 2020

AUDITOR'S INDEPENDENCE DECLARATION

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Maggie Beer Holdings Limited (formerly known as Longtable Group Limited) for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

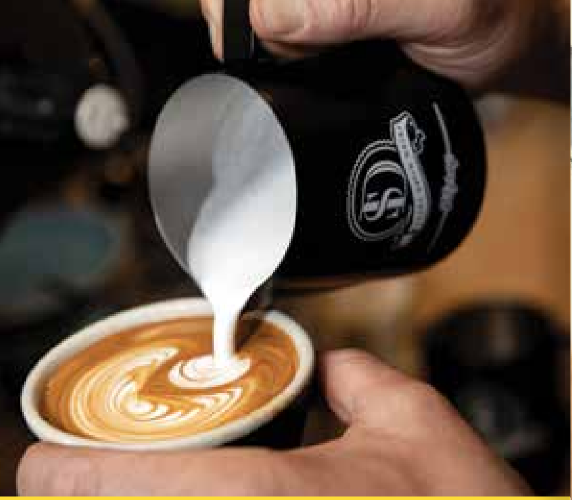
(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

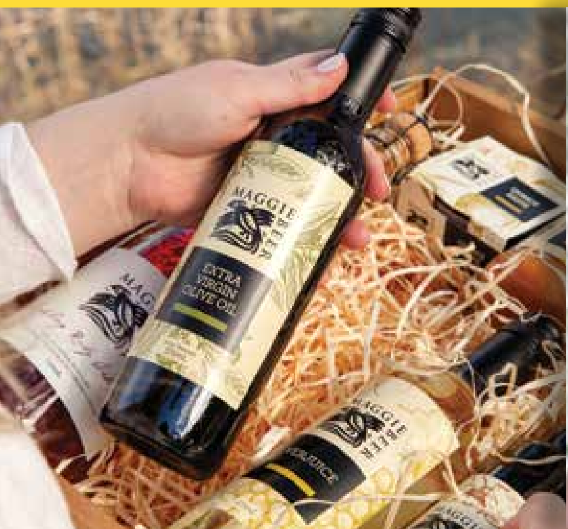
(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Maggie Beer Holdings Limited and the entities it controlled during the period.

Brad Peake
Partner
PricewaterhouseCoopers

Melbourne
27 August 2020



MAGGIE
BEER
HOLDINGS

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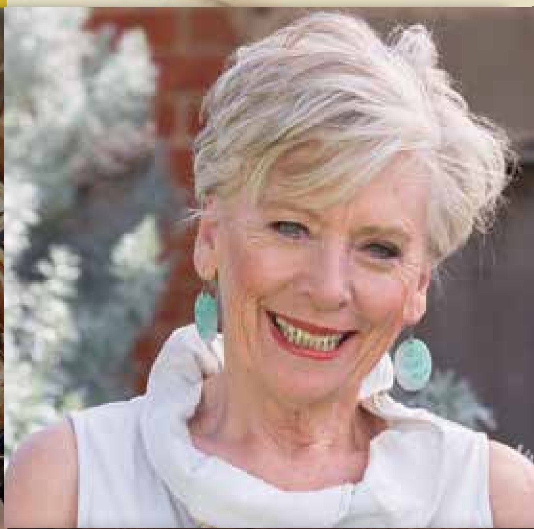

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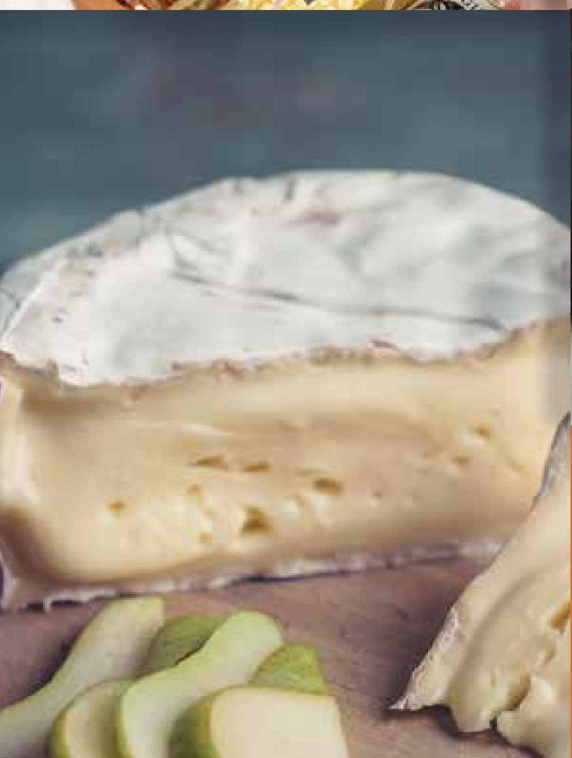
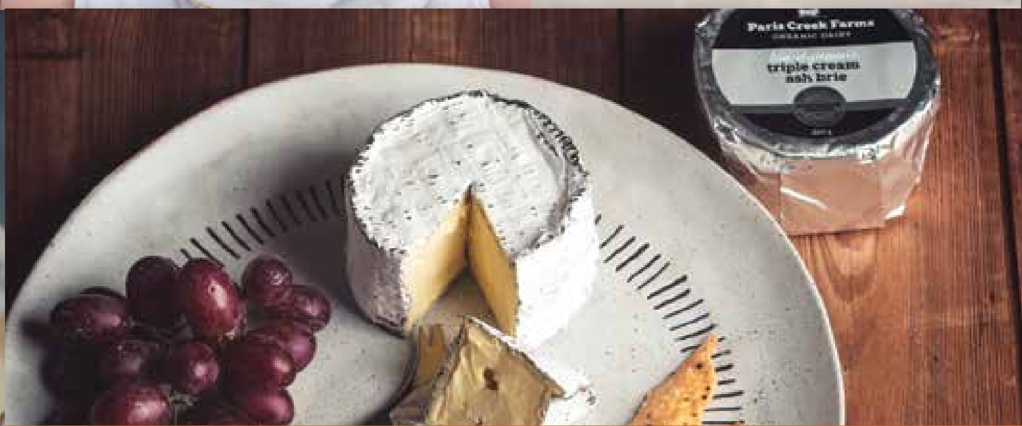
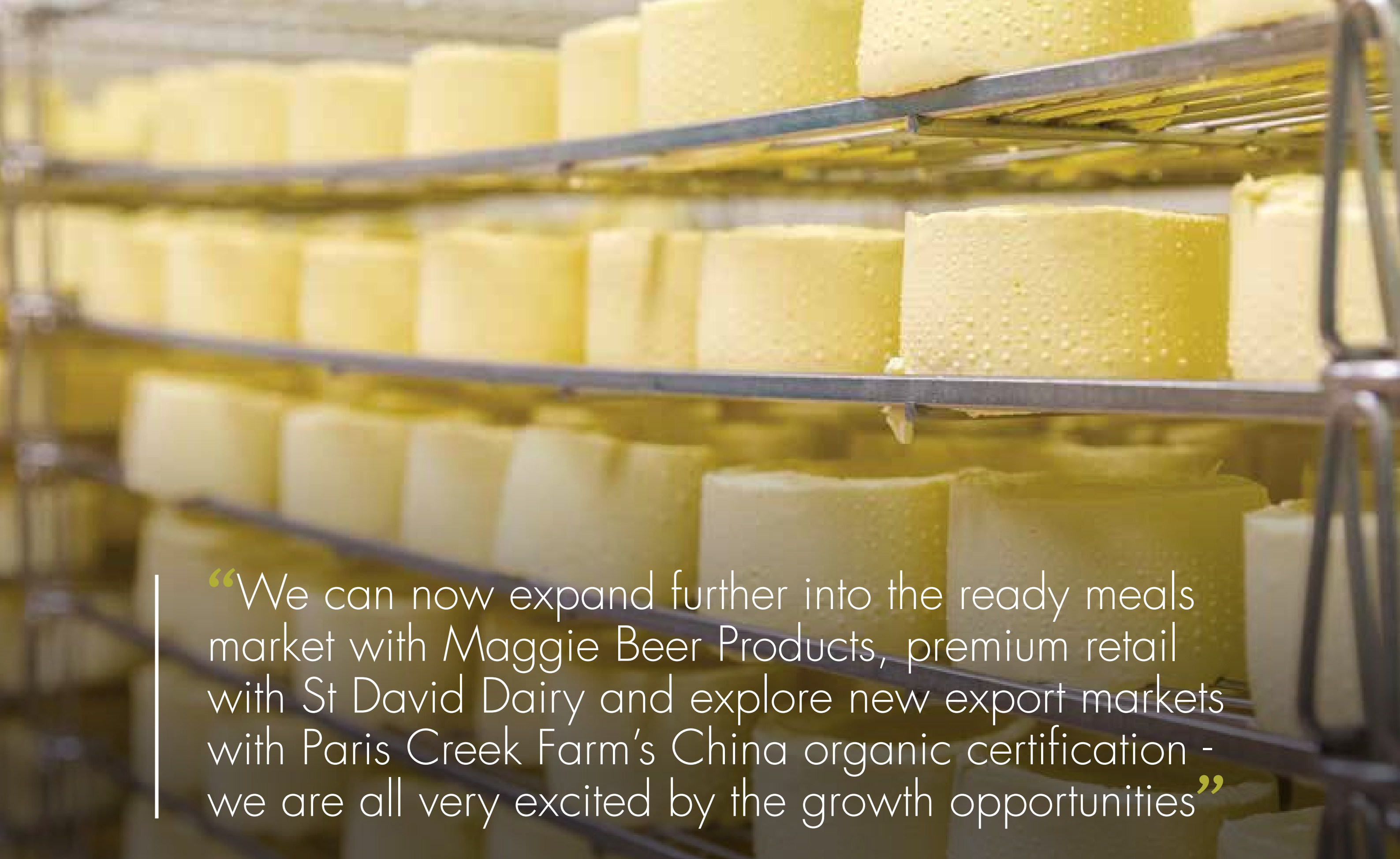


Paris Creek Farms
triple cream
ash brie



"We can now expand further into the ready meals market with Maggie Beer Products, premium retail with St David Dairy and explore new export markets with Paris Creek Farm's China organic certification - we are all very excited by the growth opportunities"

SA Dairy Awards

Paris Creek Farms Bio-Dynamic Fresh Salted Butter – Gold

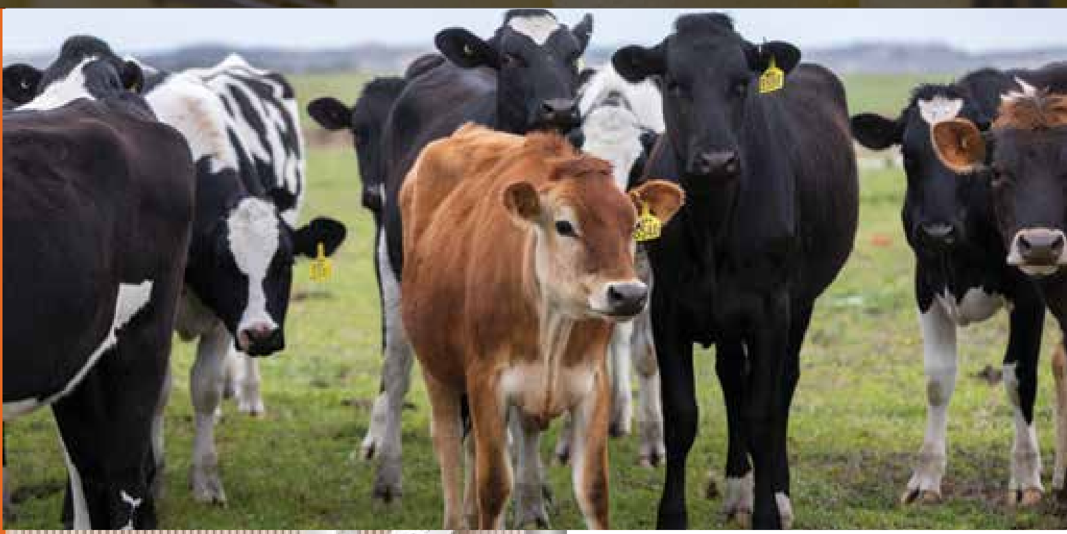
Paris Creek Farms Bio-Dynamic Reduced Fat Milk – Gold

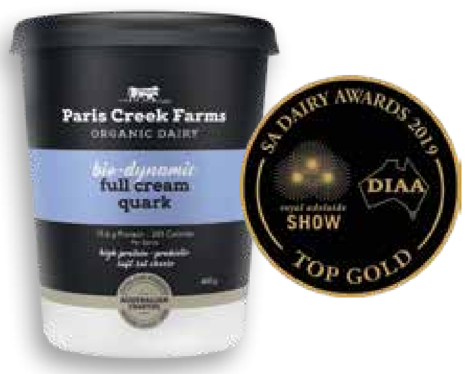
Australian Food Awards

Paris Creek Farms Bio-Dynamic Triple Cream Camembert – Gold

DIAA

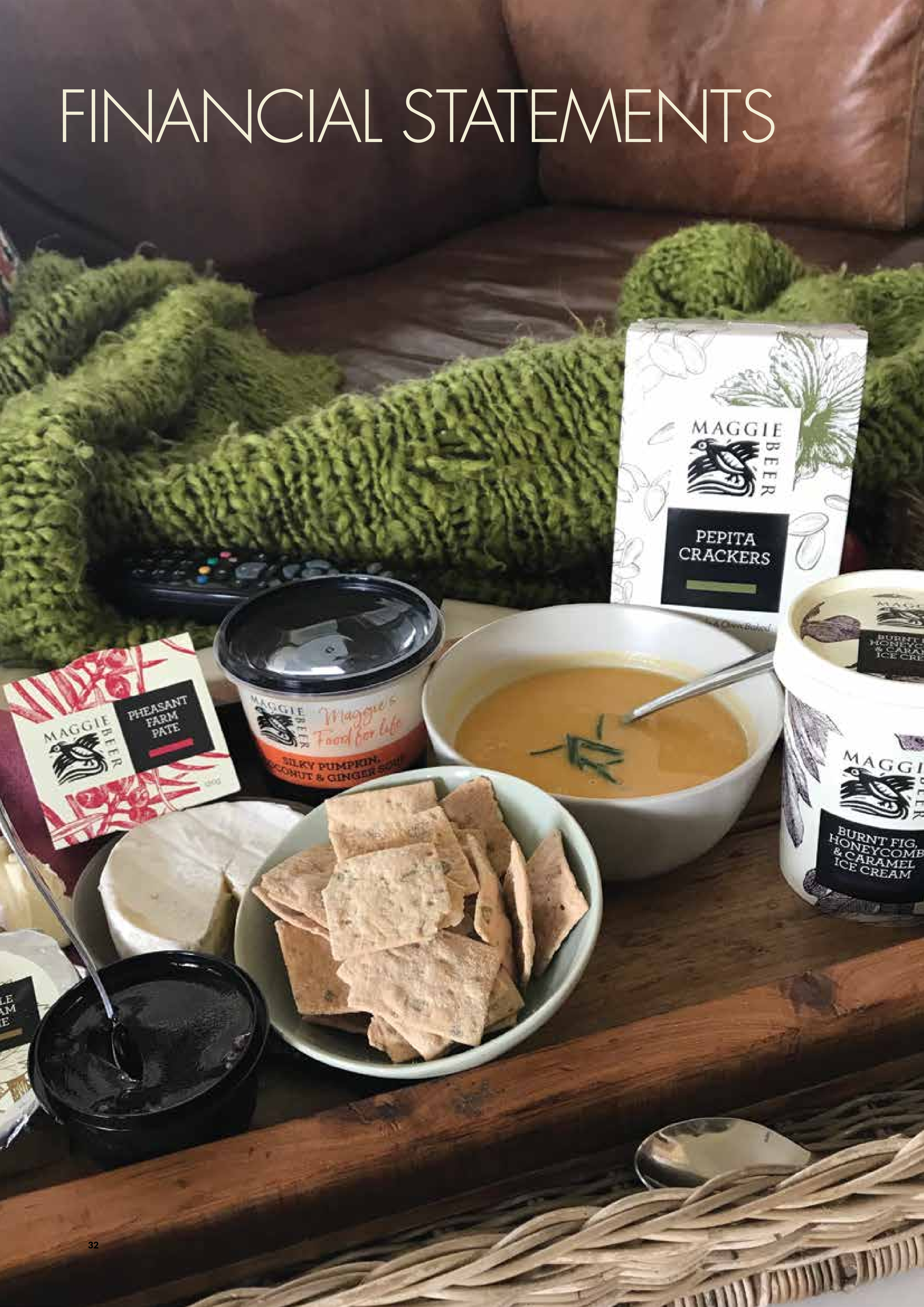
Saint David Dairy First Lite Reduced Fat Milk - Gold





PARIS CREEK FARMS BIO-DYNAMIC FULL CREAM QUARK – TOP GOLD MEDAL

FINANCIAL STATEMENTS



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	Consolidated 2020 $'000	Consolidated 2019 $'000
Revenue			
Revenue		44,503	25,616
Other income		1,052	137
		45,555	25,753
Expenses			
Raw materials and consumables used		(22,936)	(14,954)
Overheads		(1,513)	(1,370)
Occupancy and utilities costs		(1,285)	(1,516)
Employee benefits expense		(11,892)	(10,693)
Transportation expense		(3,161)	(2,350)
Professional fees		(701)	(1,178)
Marketing and advertising expense		(869)	(824)
Other expenses		(2,440)	(2,335)
Depreciation expense		(2,181)	(1,337)
Amortisation expense		(956)	(570)
Finance costs		(308)	(74)
Impairment expense	14	(12,067)	(15,190)
Gain / (loss) related to associates	11	-	2,478
Loss before income tax benefit		(14,754)	(24,160)
Income tax benefit	7	-	2,504
Loss after income tax benefit for the year attributable to the owners of Maggie Beer Holdings Limited		(14,754)	(21,656)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Maggie Beer Holdings Limited		(14,754)	(21,656)
		Cents	Cents
Basic earnings per share	35	(7.120)	(16.726)
Diluted earnings per share	35	(7.120)	(16.726)

Refer to note 4 for detailed information on Restatement of comparatives.

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	NOTE	Consolidated 2020 $'000	Consolidated 2019 $'000
Assets			
Current assets			
Cash and cash equivalents		7,245	9,819
Trade and other receivables	8	8,022	6,562
Inventories	9	3,500	3,628
Other current assets	10	429	794
Total current assets		19,196	20,803
Non-current assets			
Property, plant and equipment	12	17,347	19,131
Right-of-use assets	13	3,345	-
Intangible assets	14	24,138	36,855
Total non-current assets		44,830	55,986
Total assets		64,026	76,789
Liabilities			
Current liabilities			
Trade and other payables	15	6,883	6,848
Other current financial liabilities	16	1,721	1,193
Employee benefits	17	970	1,346
Total current liabilities		9,574	9,387
Non-current liabilities			
Other non-current financial liabilities	18	3,700	1,798
Employee benefits	19	153	136
Total non-current liabilities		3,853	1,934
Total liabilities		13,427	11,321
Net assets		50,599	65,468
Equity			
Issued capital	20	120,695	120,695
Reserves	21	1,634	1,721
Accumulated losses		(71,730)	(56,948)
Total equity		50,599	65,468

Refer to note 4 for detailed information on Restatement of comparatives.

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Contributed Equity $'000	Options Reserves $'000	Accumulated Losses $'000	Total equity $'000
Consolidated				
Balance at 1 July 2018	97,224	1,594	(35,292)	63,526
Loss after income tax benefit for the year - restated	-	-	(21,656)	(21,656)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(21,656)	(21,656)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	23,471	-	-	23,471
Share-based payments	-	127	-	127
Balance at 30 June 2019	120,695	1,721	(56,948)	65,468

Refer to note 4 for detailed information on Restatement of comparatives.

	Contributed Equity $'000	Options Reserves $'000	Accumulated Losses $'000	Total equity $'000
Consolidated				
Balance at 1 July 2019	120,695	1,721	(56,948)	65,468
Adjustment for adoption of AASB 16	-	-	(28)	(28)
Balance at 1 July 2019 - restated	120,695	1,721	(56,976)	65,440
Loss after income tax expense for the year	-	-	(14,754)	(14,754)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(14,754)	(14,754)
Transactions with owners in their capacity as owners:				
Share-based payments	-	(87)	-	(87)
Balance at 30 June 2020	120,695	1,634	(71,730)	50,599

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		43,945	25,981
Payments to suppliers and employees (inclusive of GST)		(45,158)	(34,069)
Other income received		1,054	137
Net cash used in operating activities	34	(159)	(7,951)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	31	-	(15,857)
Payments for property, plant and equipment		(1,098)	(852)
Purchase of intangibles		(306)	-
Net cash used in investing activities		(1,404)	(16,709)
Cash flows from financing activities			
Proceeds from issue of shares		-	20,900
Payments for share issue costs		-	(1,115)
Repayment of loan		(105)	-
Proceeds from chattel mortgage		516	-
Proceeds from new loan		400	-
Repayment of convertible note		(500)	-
Principal elements of lease (June 2019 - finance lease payments)		(1,098)	(14)
Interest and other finance costs paid		(224)	(74)
Net cash from/(used in) financing activities		(1,011)	19,697
Net decrease in cash and cash equivalent		(2,574)	(4,963)
Cash and cash equivalents at the beginning of the financial year		9,819	14,782
Cash and cash equivalents at the end of the financial year		7,245	9,819

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

NOTE 1. GENERAL INFORMATION

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and Interpretations, the *Corporations Act 2001* and complies with other requirements of the law.

The financial report covers the company and controlled entities. The Company is a public company, incorporated and domiciled in Australia.

Maggie Beer Holdings Limited changed its name from Longtable Group Limited on 16 July 2020.

For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report includes the consolidated financial statements of the Group and is referred to as the Group or consolidated entity.

The directors have the power to amend and reissue the financial report.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2020.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The financial statements have been prepared on the going concern basis, which assumes the continuity of normal business activities, and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2020, the consolidated entity has incurred losses of $14.8 million (2019: $21.7 million) and incurred net cash outflows of $2.6 million (2019: $5.0 million outflow). Since 1 January 2020, the consolidated entity has incurred losses of $0.5m and generated net cash inflows of $2.1m. As at year end, the cash position was $7.2 million (30 June 2019: $9.8 million).

The Company expects its normal cash flows over the next 12 months from the date of signing to be sufficient to continue as a going concern.

As detailed above and in the Operations Report, the significant changes to the structure and operations of the business in the past year have allowed the company to be resilient even in exceptionally adverse trading conditions experienced in FY20 with the summer bushfires and the COVID-19 pandemic in the later part of the year.

The company's ability to generate cash flows in continued challenging economic conditions has also been stress tested with scenarios including a 10% drop in sales over the next 12 months.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The presentation and functional currency of the group is Australian dollars.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3 .

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Maggie Beer Holdings Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Maggie Beer Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

A controlled entity is any entity the Company has the power over, and is exposed or has rights to variable returns from its involvement in the entity, and has the ability to use its power to affect its returns.

A list of controlled entities is contained in Note 32 to the financial statements.

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

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.

The investments in controlled entities are measured at cost in the parent entity's financial statements.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Revenue recognition

The consolidated entity recognises revenue as follows:

Sale of goods

Revenue from the sale of goods is recognised to the extent that the Group satisfies its single performance obligation to transfer agreed goods and the transaction price can be readily identified. All revenue is recognised at a point when control of the goods is transferred to the customer i.e. when the goods are delivered to the customer. Revenue is measured at the fair value of the consideration received or receivable being the amount to which the entity expects to be entitled to in exchange for goods. Amounts disclosed as revenue are net of discounts, trade allowances and rebates.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The charge for current income tax expense/(benefit) is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the statement of financial position date.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 is calculated at the tax rates that are expected to apply to the period when the asset is recognised or liability is settled. Deferred tax is credited in the profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The company and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the Group recognised its own current and deferred tax liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each Group entity is then subsequently assumed by the parent entity. The Group entered into the tax consolidation regime from 1st June 2006 and notified the Australian Taxation Office that it had formed an income tax consolidated Group to apply from 1st June 2006. The tax will be paid by the parent entity as the Group has not entered into a tax funding agreement. The company is the designated parent entity for tax consolidation purposes.

Leases

Until the 2019 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases.

Until 30 June 2019, leases of property, plant and equipment where the group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

The group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 1-5 years but may have extension options.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Note 2. Significant accounting policies (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group used recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss and other comprehensive income immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in income.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Financial Liabilities

Financial liabilities are classified as other financial liabilities.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Goods and Services Tax ('GST') and other similar taxes

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 Tax 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 statement of financial position are shown inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year, as well as the restatement disclosed in note 4 as a result of the finalisation of accounting for the business combinations.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Significant accounting policies (continued)

Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 July 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the entity include:

AASB 16 Leases

The group has adopted AASB 16 Leases retrospectively from 1 July 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019. The new accounting policies are disclosed above.

On adoption of AASB 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 4.0%

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date.

	1 July 2019 $'000
Operating lease commitments as at 30 June 2019	2,680
Discounted using the lessee's incremental borrowing rate of at the date of initial application	(238)
Add: finance lease liabilities recognised as at 30 June 2019	1,632
Add: lease liabilities not on the balance sheet as at 30 June 2019	235
	4,309
Of which are:	
Current lease liabilities	1,166
Non-current lease liabilities	3,143
	4,309

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019. There were no onerous lease contracts that would have required an

	30 June 2020 $'000	30 June 2019 $'000
Properties	1,698	2,415
Equipment and motor vehicles	1,647	1,864
Total right-of-use assets	3,345	4,279

adjustment to the right-of-use assets at the date of initial application.

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

- right-of-use assets – increase by $4.3 million
- Property, plant and equipment – decrease by $1.6 million
- lease liabilities – increase by $2.7 million

The net impact on retained earnings on 1 July 2019 was a decrease of $0.03 million.

(i) Impact on segment disclosures and earnings per share

Adjusted EBITDA, segment assets and segment liabilities for 30 June 2020 all increased as a result of the change in accounting policy. Lease liabilities are now included in segment liabilities, whereas finance lease liabilities were previously excluded from segment liabilities. The following segments were affected by the change in policy:

	Adjusted EBITDA $'000	Segment Assets $'000	Segment Liabilities $'000
Maggie Beer Products	524	2,559	2,203
Paris Creek Farms	24	338	390
St David Dairy	139	448	527
Other segment	76	-	482
	763	3,345	3,602

Earnings per share decreased by 0.031 cents per share for the twelve months to 30 June 2020 as a result of the adoption of AASB 16.

(ii) Practical expedients applied

In applying AASB 16 for the first time, the group has used the following practical expedients permitted by the standard.

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying AASB 117 and Interpretation 4 Determining whether an Arrangement contains a Lease.

(iii) Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities, which may occur as a result of changes, extensions or other modifications to the lease. If the right-of-use asset is nil, any adjustment as a result of remeasurement is recorded in the statement of comprehensive income.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

COVID-19 pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 14. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances. No options to extend or terminate lease terms have been included in the measurement of right-of-use assets and lease liabilities.

Business combinations

As discussed in note 31, the business combinations in the last year had been accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed were initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting was retrospective, where applicable, to the period the combination occurred and may have had an impact on the assets and liabilities, depreciation and amortisation reported as detailed note 4.

NOTE 4. RESTATEMENT OF COMPARATIVES

Retrospective fair value adjustments on finalisation of business combination accounting

During the financial period ended 30 June 2019 the consolidated entity made a number of business acquisitions, details of which are set out in note 31.

In relation to the business acquisitions, the consolidated entity originally performed a provisional assessment of the fair value of the assets and liabilities as at the date of the acquisition and for the purposes of the balance sheet as at 30 June 2019, the assets and liabilities were originally recorded at provisional fair values.

Under Australian Accounting Standards, the consolidated entity had up to 12 months from the date of acquisition to complete its initial acquisition accounting. The consolidated entity has completed this exercise to consider the fair value of intangible assets acquired in the acquisitions and, in accordance with Accounting Standards, has retrospectively adjusted the values of the relevant identifiable intangible assets and has transferred the differences between the provisional valuation and the finalised fair value to the respective Goodwill accounts.

The adjustments to the fair values have an equal and opposite impact on the goodwill recorded on acquisition. Accordingly, such adjustments have no impact on the aggregate of the net assets or the consolidated entity's net profit after tax.

Details of the specific adjustments are set out in note 31.

Statement of profit or loss and other comprehensive income

Extract	2019 $'000 Reported	Consolidated $'000 Adjustment	2019 $'000 Restated
Loss before income tax benefit	(24,160)	-	(24,160)
Income tax benefit*	-	2,504	2,504
Loss after income tax benefit for the year attributable to the owners of Maggie Beer Holdings Limited	(24,160)	2,504	(21,656)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year attributable to the owners of Maggie Beer Holdings Limited	(24,160)	2,504	(21,656)

* A deferred tax asset of $2,504 thousand attributable to carried forward tax losses was recognised to offset the equivalent deferred liability arising from the intangible assets acquired through the business combinations.

Statement of financial position at the beginning of the earliest comparative period

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 1 July 2018. However, as there were no adjustments made as at 1 July 2018, the consolidated entity has elected not to show the 1 July 2018 statement of financial position.

Note 4. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

Extract	Consolidated 2019 $'000 Reported	$'000 Adjustment	2019 $'000 Restated
Assets			
Current assets			
Other current assets	406	388	794
Total current assets	20,415	388	20,803
Non-current assets			
Intangible assets	34,739	2,116	36,855
Total non-current assets	53,870	2,116	55,986
Total assets	74,285	2,504	76,789
Net assets	62,964	2,504	65,468
Equity			
Accumulated losses	(59,452)	2,504	(56,948)
Total equity	62,964	2,504	65,468

NOTE 5. OPERATING SEGMENTS

Identification of reportable operating segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the Chief Executive Officer ('CEO') in order to allocate resources to the segment and to assess its performance.

There are currently four operating segments under the criteria set out in AASB 8, being B.-d Farm Paris Creek Pty Ltd ("Paris Creek Farms"), St David Dairy Pty Ltd ("St David Dairy"), Maggie Beer Products Pty Ltd ("MBP") and other corporate costs.

Information regarding these segments is set out below.

All operations were in Australia for both current and comparative period.

Revenues of approximately $16.96 million (2019: $6.98 million) are concentrated in a small number of external customers.

	Paris Creek Farms $'000	StDavid Dairy $'000	MBP $'000	Other segments $'000	Total $'000
Consolidated - 2020					
Revenue					
Sales of goods to external customers	16,043	8,190	20,783	-	45,016
Intersegment sales	(513)	-	-	-	(513)
Total sales revenue	15,530	8,190	20,783	-	44,503
Other revenue	55	85	174	738	1,052
Total revenue	15,585	8,275	20,957	738	45,555
Profit/(loss) before income tax expense, impairment and fair value gain	(1,917)	302	1,847	(2,918)	(2,686)
Impairment expense	(12,068)	-	-	-	(12,068)
Profit/(loss) before income tax expense	(13,985)	302	1,847	(2,918)	(14,754)
Income tax expense					-
Loss after income tax expense					(14,754)
Assets					
Segment assets	19,099	19,278	25,897	9,504	73,778
Intersegment eliminations					(9,752)
Total assets					64,026
Liabilities					
Segment liabilities	20,749	1,668	3,828	2,099	28,344
Intersegment eliminations					(14,917)
Total liabilities					13,427

Note 5. Operating segments (continued)

	Paris Creek Farms $'000	St David Dairy $'000	MBP $'000	Other segments $'000	Total $'000
Consolidated - 2019 - Restated					
Revenue					
Sales of goods to external customers	14,952	6,647	4,241	-	25,840
Intersegment sales	(224)	-	-	-	(224)
Total sales revenue	14,728	6,647	4,241	-	25,616
Other revenue	58	-	16	63	137
Total revenue	14,786	6,647	4,257	63	25,753
Profit before income tax expense, impairment and fair value gain	(6,782)	640	(45)	(4,787)	(10,974)
Impairment expense	(15,190)	-	-	-	(15,190)
Fair value gain	-	-	-	2,004	2,004
Profit/(loss) before income tax benefit	(21,972)	640	(45)	(2,783)	(24,160)
Income tax benefit					2,504
Loss after income tax benefit					(21,656)
Liabilities					
Assets					
Segment assets	30,546	17,740	27,828	11,806	87,920
Intersegment eliminations					(11,131)
Total assets					76,789
Segment liabilities	18,010	1,523	5,477	1,395	26,405
Intersegment eliminations					(15,084)
Total liabilities					11,321

Refer to note 4 for detailed information on Restatement of comparatives

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Executive Officer ('CEO'). The CEO is responsible for the allo-cation of resources to operating segments and assessing their performance

NOTE 6. SIGNIFICANT ITEMS

Significant items relate to significant changes in the business during the past financial year and are identified due to their nature and magnitude on the assessment of business performance.

The following significant items are included in Other income, Raw materials and consumables used, Employee benefits expense and Other expenses:

	Consolidated	
	2020 $'000	2019 $'000
Government grants (COVID-19 related)	393	-
Claim settlement (Note 28)	500	-
Restructure costs	(946)	(465)
Abandoned project	(135)	-
Litigation costs	(61)	-
New product launch transitional costs	-	(603)
Exceptional stock write-off	-	(371)
Disposal of excess raw milk	-	(311)
Consultant fees (ex Paris Creek Farms vendors)	-	(220)
Doubtful debts expense	-	(150)
Other	(109)	(3)
Total significant items	(358)	(2,123)

NOTE 7. INCOME TAX BENEFIT

	Consolidated	
	2020 $'000	2019 $'000
Income tax benefit		
Current tax	(602)	(3,232)
Deferred tax expense		
Amounts not brought to account as a Deferred Tax Asset in the current year	602	3,232
Recognition of deferred tax asset	-	(2,504)
Aggregate income tax benefit	-	(2,504)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(14,754)	(24,160)
Tax at the statutory tax rate of 30%	(4,426)	(7,248)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	3,884	4,617
Non-assessable non-operating income	(60)	(601)
Amounts not brought to account as a Deferred Tax Asset in the current year	602	3,232
Recognition of deferred tax asset	-	(2,504)
Income tax benefit	-	(2,504)

	Consolidated	
	2020 $'000	2019 $'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised (Australia)	19,967	19,033
Potential tax benefit @ 30%	5,990	5,710

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The Australian entity has unused capital losses of $6.25 million (at 30%: $1.87 million) that are not recognised in the financial report, in addition to the losses stated above.

NOTE 8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated	
	2020 $'000	2019 $'000
Trade receivables (net of loss allowance provision)	7,135	6,282
Lease receivable (sub-lease)	532	
Other receivables	90	-
GST receivable	265	280
	8,022	6,562

Accounting policy for trade and other receivables

Trade receivables and other receivables are all classified as financial assets held at amortised cost.

Trade receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less a loss allowance provision. The carrying value of trade and other receivables, less loss allowance provisions, is considered to approximate fair value, due to the short term nature of the receivables.

The collectability of trade and other receivables is reviewed on an ongoing basis with a further focus in this financial year on collection risk following the impact of the COVID-19 pandemic. Individual debts which are known to be uncollectable are written off when identified. The Group recognises a loss allowance provision based upon anticipated lifetime losses of trade receivables. The anticipated losses are determined with reference to historical loss experience adjusted to reflect current and forward-looking information and is regularly reviewed and updated. This includes general macroeconomic indicators such as RBA cash rate and GDP growth.

Trade receivables are generally due for settlement between 30 and 60 days.

The COVID-19 pandemic has not resulted in any additional receivables write-offs.

Credit risks related to receivables

Refer to note 23 for additional information.

NOTE 9 CURRENT ASSETS - INVENTORIES

	Consolidated	
	2020 $'000	2019 $'000
Stock on hand - at cost	3,500	3,628

Accounting policy for inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable. All stock on hand is recognised using the First In First Out ('FIFO') method of valuation.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 10. CURRENT ASSETS - OTHER CURRENT ASSETS

	Consolidated	
	2020 $'000	2019 $'000 Restated
Prepayments	185	235
Security deposits	151	141
Other current assets	93	418
	429	794

Refer to note 4 for detailed information on Restatement of comparatives

NOTE 11. NON-CURRENT ASSETS - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

On 19 July 2016, the Company paid $15 million to acquire 48% of the shares of Maggie Beer Products Pty Ltd (MBP), a company domiciled in Australia that manufactures and sells premium food and beverage products.

On 30 June 2017, the Group reassessed the carrying amount of its investment in MBP, for indicators of impairment such as unexpected poor performance for that financial year. As a result, an internal valuation of MBP was performed to determine the Group's share of the enterprise value. An impairment loss of $8.48 million was recognised in the Statement of Profit or Loss and Other Comprehensive Income.

On 30 June 2018, the Group reassessed the carrying amount of its investment in MBP, for indicators of impairment such as unexpected poor performance for this financial year. As a result, an internal valuation of MBP was performed to determine the Group's share of the enterprise value. No impairment was noted as a result of this assessment

On 16 April 2019, the Group acquired the remaining 52% of MBP that it did not already own. This resulted in control of the company, and consolidation of its balances from this date onward. Please refer to Note 31 for further details

	Consolidated	
	2020 $'000	2019 $'000
Reconciliation of carrying amount of investment		
Opening net assets	-	11,666
Profit / (loss) for the period	-	987
Reversal of equity investment upon control	-	(12,653)
Closing net assets	-	-

Note 11. Non-current assets - investments accounted for using the equity method (continued)

	Consolidated	
	2020 $'000	2019 $'000
Company share %		
Company's share of opening net assets	-	4,907
Company's share of net profit / (loss) for the period up to 16 April 2019	-	474
Fair value gain of 48% equity investment upon gaining control	-	2,004
Reversal of equity investment upon consolidation	-	(7,385)
Carrying amount of investment in associate	-	-

In accordance with the equity method, on initial recognition the investment in an associate or a joint venture is recog-nised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

The total carrying amount of the investment has been fair valued and reversed as at 16 April 2019, upon acquisition of the remaining 52% of Maggie Beer Products Pty Ltd. Refer to Note 31 - Business Combination for more details.

NOTE 12. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2020 $'000	2019 $'000
Land	460	460
Motor vehicles	1,274	1,111
Less: Accumulated depreciation	(394)	(437)
	880	674
Plant and equipment	13,935	14,941
Less: Accumulated depreciation	(4,336)	(3,588)
	9,599	11,353
Building and leasehold improvements	6,983	6,977
Less: Accumulated depreciation	(575)	(333)
	6,408	6,644
	17,347	19,131

Note 12. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land $'000	Motor vehicles $'000	Building and leasehold improvements $'000	Plant and other equipment $'000	Total $'000
Balance at 1 July 2018	460	742	6,793	7,590	15,585
Additions	-	21	72	760	853
Additions through business combinations (note 31)	-	245	212	3,573	4,030
Transfers in/(out)	-	(63)	(206)	269	-
Depreciation expense	-	(271)	(227)	(839)	(1,337)
Balance at 30 June 2019	460	674	6,644	11,353	19,131
Additions	-	551	6	632	1,189
Disposals	-	(21)	-	(28)	(49)
Transfer out on adoption of AASB 16	-	(204)	-	(1,427)	(1,631)
Depreciation expense	-	(120)	(242)	(931)	(1,293)
Balance at 30 June 2020	460	880	6,408	9,599	17,347

Refer to note 24 for further information on fair value measurement.

Accounting policy for property, plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

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 depreciable amount of all fixed assets including recognised lease assets is depreciated on a straight line or diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improve-ments are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The following estimated useful lives are used in the calculation of depreciation:

Land	n/a
Motor vehicles	5 years
Plant and equipment	4 to 20 years
Building and leasehold improvements	10 to 33 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

NOTE 13. NON-CURRENT ASSETS - RIGHT-OF-USE ASSETS

	Consolidated	
	2020 $'000	2019 $'000
Land and buildings - right-of-use	2,822	-
Less: Accumulated depreciation	(1,124)	-
	1,698	-
Plant and equipment - right-of-use	1,926	-
Less: Accumulated depreciation	(447)	-
	1,479	-
Motor vehicles - right-of-use	372	-
Less: Accumulated depreciation	(204)	-
	168	-
	3,345	-

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings $'000	Plant and equipment $'000	Motor vehicle $'000	Total $'000
Balance at 1 July 2019	-	-	-	-
Additions upon adoption of AASB 16	2,415	1,660	204	4,279
Additions	446	-	5	451
Disposal	(494)	-	-	(494)
Depreciation expense	(669)	(181)	(41)	(891)
Balance at 30 June 2020	1,698	1,479	168	3,345

Note 13. Non-current assets - right-of-use assets (continued)

The consolidated entity notes the following items in relation to the adoption of AASB 16 for the period ended 30 June 2020:

- Depreciation charge for land and building right-of-use assets amounted to $669 thousand for the period ending 30 June 2020;
- Interest expense on land and building lease liabilities amounted $101 thousand for the period ending 30 June 2020;
- During the year, the group sub-leased one of its properties, and as a result the associated right-of-use asset was disposed of, amounting to $509 thousand as at disposal date. A lease receivable of $532 thousand has been recognised in relation to the sub-lease as at 30 June 2020
- Total cash outflow for leases is $1,137 thousand for the period ending 30 June 2020;
- On 12 February 2020, the group extended a lease held by SDD for 5 years, which resulted in addition of $459 thousand to the lease liability and right-of-use asset for the period;
- The carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset is $1,861 thousand, $1,317 thousand, and $168 thousand, for land and buildings, plant and equipment, and mo-tor vehicle right-of-use assets, respectively.

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

NOTE 14. NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Consolidated	
	2020 $'000	2019 $'000 Restated
Goodwill	15,388	27,454
Brand	6,838	6,838
Less: Accumulated amortisation	(697)	(292)
	6,141	6,546
Customer contracts	3,075	3,075
Less: Accumulated amortisation	(769)	(278)
	2,306	2,797
Software and website	416	112
Less: Accumulated amortisation	(113)	(54)
	303	58
	24,138	36,855

Refer to note 4 for detailed information on Restatement of comparatives

Note 14. Non-current assets - intangible assets (continued)

Refer to note 4 for detailed information on Restatement of comparatives.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill - Paris Creek $'000	Goodwill - St David $'000	Goodwill - Maggie Beer Products $'000	Brand* $'000	Customer Contracts** $'000	Other Intangible $'000	Total $'000
Balance at 1 July 2018	27,257	-	-	-	-	-	27,257
Additions through business combinations (note 31)	-	11,802	3,585	6,838	3,075	58	25,358
Impairment of assets	(15,190)	-	-	-	-	-	(15,190)
Amortisation expense	-	-	-	(292)	(278)	-	(570)
Balance at 30 June 2019	12,067	11,802	3,585	6,546	2,797	58	36,855
Additions from internal developments	-	-	-	-	-	305	305
Impairment of assets	(12,067)	-	-	-	-	-	(12,067)
Amortisation expense	-	-	-	(405)	(491)	(59)	(955)
Balance at 30 June 2020	-	11,802	3,585	6,141	2,306	304	24,138

* The cost of the brand intangible asset consists of $2,163 thousand allocated to the St David Dairy CGU and $4,675 thousand allocated to the Maggie Beer Products CGU as at 30 June 2020.

** The cost of the customer contract intangible asset consists of $1,515 thousand allocated to the St David Dairy CGU and $1,560 allocated to the Maggie Beer Products CGU as at 30 June 2020.

Goodwill was acquired as a result of business combinations entered into during the previous year, refer to note 31 for details.

Note 14. Non-current assets - intangible assets (continued)

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Accounting policy for goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the statement of profit or loss and other comprehensive income as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible Assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Recoverable amount of goodwill

In accordance with AASB 136, impairment testing has been undertaken for all cash generating units (CGUs) with indefinite intangibles or where there is an indication of impairment. These impairment tests have been completed via a multiple scenario approach in response to significant uncertainties in the market.

At 30 June 2020, for Maggie Beer Products and St David Dairy, the recoverable amounts have been determined based on value-in-use calculations which uses cash flow projections based on financial forecasts covering a five-year period, including changes in working capital and expenditure for maintenance. Cash flows are extrapolated using estimated growth rates beyond the five-year period.

Key assumptions used in the value-in-use calculations for the Maggie Beer Products and St David Dairy CGUs are based on a large range of data, including available independent grocery and dairy reports on the Australian market, overlaid with management's latest forecast for financial year 2021 and incorporating previous revenue growth, achievable margin, reasonable expense increases, capital expenditure for maintenance and entity specific long-term averages for the latter years.

In considering the outlook for Maggie Beer Products and St David Dairy, and the specific impacts of the COVID-19 pandemic, management considered a range of possible scenarios and have applied a probability weighting to each of these in order to determine an estimation of future cash flows which has a reasonable and appropriate basis.

Maggie Beer Products

Base Scenario

Revenue growth

Revenue growth over the five-year period is based upon forecasted revenue on a business-as-usual basis and assumes no New Products Development ('NPD') or new geographies (in accordance with AASB 136). The starting point is an assessment of the market, leveraging industry reports and overlaying with known sales growth opportunities e.g. extra sales growth from 5 new cheese lines launched in Woolworths in Q4 FY20, the continued growth in cheese and cooking stocks, the recent increase in fruit paste sales in Aldi and growth in independent retail market and from its e-commerce business which had substantial growth in H2 FY20 as the business increased its online presence and implemented its new digital marketing plan. Industry reports indicate there was significant growth in online sales pre COVID-19, which is only expected to increase as buyer behaviours have changed during COVID-19.

The average revenue growth over the forecast period is assumed at 5.8% per annum (compared with an average of 5.1% per annum for the 4 years from FY17 to FY20).

Costs

Gross margin in FY21 is expecting to soften slightly from its FY20 levels, due to the increase in 3rd party produced cheese and cooking stocks revenue as a percentage of total sales, and is then assumed to remain flat for the remainder of the model's period with the sales mix including increased higher margin from e-commerce sales. Raw material price increases are minimal and are to be matched by price increases with retailers to offset, as was evidenced in the current year. All fixed costs, including selling, administration and management labour, are modelled to grow at 2.0% a year, in line with the Reserve Bank of Australia's inflation target range of 2–3 per cent, on average, over time.

Long-term growth rate

The long-term growth rate is the weighted average growth rate used to extrapolate cash flows beyond the modelled period. A long-term growth rate of 2.0% has been used in the value-in-use calculations, which is on the lower end of the long-term Reserve Bank of Australia's inflation target range of 2–3 per cent, on average, over time.

Discount rate

The discount rate represents the current market assessment of the risks relating to the relevant CGU. In performing the value-in-use calculations for the CGU, the Group has applied a pre-tax discount rate of 12.53% per annum (8.77% post tax) for Maggie Beer Products. The discount rate includes a COVID-19 pandemic risk premium of 0.75% to allow for the overall uncertainty in the wider economy even though the Consumer Staples sector has generally experienced limited downside (or even positive) impacts from the COVID-19 pandemic and there is less uncertainty around future earnings expectations. Also included in the discount rate is a specific company risk rate of 2.00% to recognise the abnormally low risk-free rate of 0.92% at 30 June 2020.

In addition to the base scenario detailed above, management has included 2 other scenarios likely

Note 14. Non-current assets - intangible assets (continued)

to materially impact the carrying value of the CGU. The first scenario is sales in each year from FY21 to FY25 being 10% lower than forecast. The second is raw material prices increasing an extra 4.0pt on average over the period FY21 to FY25 compared to CPI (2.0%).

Scenarios	Base Case	Lower Sales	Raw Material prices
Long term growth rate / CPI	2.00%	2.00%	2.00%
Discount rate (post-tax)	8.77%	8.77%	8.77%
Growth in sales (5-year CAGR)	5.8%	3.6%	5.8%
Raw material prices increase	2.0%	2.0%	6.0%
Probability weighting	80% - estimated most likely outcome	10% - low probability and low impact	10% - low probability and low impact
Headroom/ (Deficit) ($'000)	10,218	1,844	4,401
Probability weighted headroom ($'000)			**8,799**

Review outcome

In completing the impairment review based on the scenarios and their assumptions and the weights above, the value in use of the Maggie Beer Products business exceeded its carrying value by $8.8 million.

St David Dairy

Base scenario

Revenue growth

Revenue growth over the five-year period is based upon forecasted revenue on a business-as-usual basis and assumes no New Products Development ('NPD') or new geographies (in accordance with AASB 136). The starting point is an assessment of the market, leveraging dairy industry reports and overlaying with known sales growth opportunities e.g. increased sales in speciality retail stores, plant-based milk products.

The FY21 forecast as approved by the Board assumes a gradual recovery in the first half of the year with an acceleration in the second half of FY21 to reach annual sales growth equivalent to that of FY20 at 13.2%. The average revenue growth over the remaining forecast period is modelled at 11.1% per annum, half the 22.6% per annum (Compounded Annual Growth Rate CAGR) sales growth achieved in the 4 years from FY17 to FY20, and is underpinned by:

- industry reports expect milk sales (volume and price) to increase 5% to 7% year on year from FY21 to FY25,
- further capturing market share of cafes and restaurants in Melbourne initially (only currently selling to 5% of cafes and restaurants in inner Melbourne) and continuing to expand into other States of Australia. Currently sales outside of Victoria represent 8% of the business,
- increased demand for plant-based milk which currently accounts for 7% of all milk consumption in Australia and is expected to grow at a double digit CAGR in the period FY20 to FY25,
- continued expansion into premium and specialty grocers where "buy fresh, buy local" continues to gain momentum.

Costs

Industry reports indicate milk and cream prices will decrease in FY21, relative to FY20, and are expected to remain below the levels experienced in the current year. Costs have assumed a stabilised milk and cream prices with no price increase expected in FY21 and any future increases matched by price increases, improved delivery costs with more efficient and more reliable trucks purchased in FY20, along with a now stable and experienced management team.

Long-term growth rate

The long-term growth rate is the weighted average growth rate used to extrapolate cash flows beyond the modelled period. A long-term growth rate of 2.0% has been used in the value-in-use calculations, which is on the lower end of the long-term Reserve Bank of Australia's inflation target range of 2–3 per cent, on average, over time.

Discount rate

The discount rate represents the current market assessment of the risks relating to the relevant CGU. In performing the value-in-use calculations for the CGU, the Group has applied a pre-tax discount rate of 13.25% per annum (9.28% post tax) for St David Dairy. The discount rate includes a COVID-19 pandemic risk premium of 0.75% to allow for the overall uncertainty in the wider economy even though the Consumer Staples sector has generally experienced limited downside impacts from COVID-19 pandemic and there is less uncertainty around future earnings expectations. Also included in the discount rate is a specific company risk rate of 2.00% to recognise the abnormally low risk-free rate of 0.92% at 30 June 2020.

In addition to the base scenario detailed above, management has included 3 other scenarios, which if they occurred, would be likely to materially impact the carrying value of the CGU. The first scenario is sales in each year from FY21 to FY25 being 10% lower than forecast. The second is milk prices to be 2% higher per year from FY21 to FY25 with no ability to pass onto consumers. The third is delivery cost savings are 1% lower per year from FY21 to FY25.

Review outcome

In completing the impairment review based on the scenarios and their assumptions and the weights above, the value in use of the St David Dairy business exceeds its carrying value of goodwill by $1.7 million.

Brand

Brand acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life range of 5-20 years.

Customer contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life range of 0-10 years.

Scenarios	Base Case	Lower Sales	Farmgate milk price increase	Delivery costs
Long term growth rate / CPI	2.00%	2.00%	2.00%	2.00%
Discount rate (post-tax)	9.28%	9.28%	9.28%	9.28%
Growth in sales (5-year CAGR)	11.5%	9.2%	11.5%	11.5%
Milk price increase pa from FY20	1.8%	1.8%	3.6%	1.8%
Delivery cost savings (as % of sales)	1.6pt	1.6pt	1.6pt	0.6pt
Probability weighting	55% - estimated most likely outcome	10% - low medium probability and low impact	25% - medium probability and medium impact	10% - low probability and medium impact
Headroom/(Deficit) ($'000)	2,754	(242)	257	1,505
Probability weighted headroom ($'000)		1,705		

NOTE 15. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2020 $'000	2019 $'000
Trade payables	4,922	5,232
Employee related payables	886	659
Other payables	1,075	957
	6,883	6,848

Refer to note 23 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured, non-interest bearing and are usually due for payment within 30 to 60 days of issue.

NOTE 16. CURRENT LIABILITIES - OTHER CURRENT FINANCIAL LIABILITIES

	Consolidated	
	2020 $'000	2019 $'000
Related party loans	551	292
Convertible note payable	-	500
Current portion of chattel mortgage loan	73	-
Finance lease liability	-	401
Lease liability	1,097	-
	1,721	1,193

Refer to note 23 for further information on financial instruments.

The convertible note was issued to Beer Family Holdings, a related entity of Maggie Beer, a Non-Executive Director of the Company. The fair value of the convertible note has been deemed to be the principal amount of the note payable.

On conversion date, the Group has funded $100,000 of the redemption amount out of the Group's cash reserves, with the balance of $400,000 as loan funds advanced by the Note Holder to the Group. The Group and the Note Holder have entered into a loan agreement for the $400,000 loan, which is unsecured and classified as a non-current liability. The $400,00 loan along with accrued interest have been repaid on 20 August 2020.

The chattel mortgage loan above represents the current portion of the chattel mortgage used to finance the acquisition of St David Dairy's new truck fleet during the year. The mortgage is secured over the truck fleet and is repaid over a term of 5 years at an interest rate of 5.99%.

In addition to the above, NAB provides an invoice finance facility to a subsidiary of the Group, Maggie Beer Products Pty Ltd which is available for $3.0 million.

The facility is secured over receivables of Maggie Beer Products, and is subject to the subsidiary complying with its obligations (including financial covenants) under the facility.

At 30 June 2020, the aggregate amount outstanding under the facilities was $nil and the subsidiary was in compliance with its obligations under those facilities.

NOTE 17. CURRENT LIABILITIES - EMPLOYEE BENEFITS

	Consolidated	
	2020 $'000	2019 $'000
Employee benefits	970	1,346

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to bal-ance 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. 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.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

NOTE 18. NON-CURRENT LIABILITIES - OTHER NON-CURRENT FINANCIAL LIABILITIES

	Consolidated	
	2020 $'000	2019 $'000
Related party loans	752	716
Non-current portion of chattel mortgage	443	-
Finance lease liability	-	1,082
Lease liability	2,505	-
	3,700	1,798

Refer to note 23 for further information on financial instruments.

Refer to note 29 for further information on related party transactions.

Note 18. Non-current liabilities - other non-current financial liabilities (continued)

Total secured liabilities

The total secured lease liabilities are as follows:

	Consolidated	
	2020 $'000	2019 $'000
Commitments in relation to finance leases are payable as follows:		
Less than one year	-	441
Later than one year but less than five years	-	1,209
Minimum lease payments	-	1,650
Future finance charges		(167)
Recognised as liability		1,483

Upon adoption of AASB 16 Leases, the majority of leases are now recognised on the balance sheet.

As per note 16, Maggie Beer Products Pty Ltd, a subsidiary of the consolidated entity, has an invoice facility secured over the receivables of the subsidiary.

The related party loans are unsecured.

The chattel mortgage is secured over the St David Dairy newly acquired fleet of delivery trucks.

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

NOTE 19. NON-CURRENT LIABILITIES - EMPLOYEE BENEFITS

	Consolidated	
	2020 $'000	2019 $'000
Employee benefits	153	136

Accounting policy for other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 20. EQUITY - ISSUED CAPITAL

Movements in ordinary share capital

	Consolidated			
	2020 Shares	2019 Shares	2020 $'000	2019 $'000
Ordinary shares - fully paid	207,262,291	207,152,292	120,695	120,695

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2018	111,293,473		97,224
Issue of shares to shareholders	30 July 2018	7,142,856	$0.700	4,999
Issue of shares to vendors*	1 August 2018	4,285,714	$0.630	2,700
Issue of shares to shareholders	4 March 2019	10,905,000	$0.200	2,181
Issue of shares under Entitlement Offer	10 April 2019	68,525,249	$0.200	13,705
Issue of shares to vendors	16 April 2019	5,000,000	$0.200	1,000
Costs of capital raising		-	$0.000	(1,114)
Balance	30 June 2019	207,152,292		120,695
Conversion of performance rights to ordinary shares upon vesting	10 December 2019	109,999	$0.000	-
Balance	30 June 2020	207,262,291		120,695

*The Company issued shares to vendors on completion of the acquisition of St David Dairy at a deemed issue price of $0.70 (70 cents) per share, with a total contract value of $3.00 million. However under AASB 3 - Business Combina-tion, the fair value of $2.70 million is calculated using $0.63 (63 cents) per share, being the closing share price on the date of shareholder approval (1 August 2018). This resulted in a decrease in the accounting value amounting by $0.30 million.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

Share buy-back

No shares were bought back during the year ended 30 June 2020 (2019: NIL).

Capital risk management

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, retained earnings and reserves. Operating cash flows are used to maintain and expand the Group's assets, as well as to make the routine outflows of payables and tax.

The capital risk management policy remains unchanged from the 2019 Annual Report.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 21. EQUITY - RESERVES

	Consolidated	
	2020 $'000	2019 $'000
Options reserve	1,634	1,721

Options reserve

Options reserve arises on the grant of share options to Directors and employees of the Group and Maggie Beer Products under the Group incentive option scheme. Amounts are transferred out of the reserve and into issued capi-tal when the options are exercised.

The company operates an ownership-based remuneration scheme through the Incentive Option Scheme, details of which are provided in note 36 to the financial statements. Other than minimal administration costs, which are ex-pensed when incurred, the plan does not result in any cash outflow from the Company.

The fair value of equity-settled share-based payments is measured by use of the Black-Scholes and Binomial model. The expected life used in the models have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Option reserve $'000	Total $'000
Balance at 1 July 2018	1,594	1,594
Share based payment	127	127
Balance at 30 June 2019	1,721	1,721
Share based payment*	(87)	(87)
Balance at 30 June 2020	1,634	1,634

* The decrease in the share-based payment reserve during the financial period has resulted from the expiry and forfeiture of options and performance rights previously expensed, partially offset by expense over unvested per-formance rights.

NOTE 22. EQUITY - DIVIDENDS

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits

	Consolidated	
	2020 $'000	2019 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	7,568	7,568

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

NOTE 23. FINANCIAL INSTRUMENTS

Financial risk management objectives

The capital structure of the consolidated entity consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, retained earnings and reserves. Operating cash flows are used to maintain and expand the Group's assets, as well as to make the routine outflows of payables and tax.

The consolidated entity's principal financial instruments comprise receivables, payables, cash and short-term deposits. These activities expose the consolidated entity to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

The consolidated entity does not have formal documented policies and procedures for the management of risk associated with financial instruments. However, the Board has responsibility for managing the different types of risks to which the consolidated entity is exposed. These responsibilities include considering risk and monitoring levels of ex-posure to interest rate risk, and by being aware of market forecasts for interest rate, and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

Market risk

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash and short-term deposits held.

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the statement of financial position date.

At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax-loss and equity would have been affected as follows:

	Basis points increase			Basis points decrease		
Consolidated - 2020	Basis points change	Effect on profit before tax $'000	Effect on equity $'000	Basis points change	Effect on profit before tax $'000	Effect on equity $'000
Bank deposits	100	72	72	(50)	(36)	(36

	Basis points increase			Basis points decrease		
Consolidated - 2019	Basis points change	Effect on profit before tax $'000	Effect on equity $'000	Basis points change	Effect on profit before tax $'000	Effect on equity $'000
Bank deposits	100	98	98	(50)	(49)	(49)

Credit risk

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available. This includes general macroeconomic indicators such as RBA cash rate and GDP growth.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this in-clude the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make con-tractual payments for a period greater than 1 year.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recog-nised financial assets is the carrying amount of those assets, net of any allowance for impairment losses, as disclosed in the statement of financial position and notes to the financial report.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. It is the Group's policy to consider the credit worthiness of all customers who wish to trade on credit terms.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

Allowance for expected credit losses

The loss allowance as at 30 June 2019 was determined as follows for trade receivables:

	Loss allowance provision 2020 $'000	Loss allowance provision 2019 $'000	Gross amount 2020 $'000	Gross amount 2019 $'000
Not past due	-	37	5,108	3,754
Past due 0 - 60 days	-	100	1,796	2,611
Past due 60+ days	142	144	373	198
	142	281	7,277	6,563

Liquidity risk

The Group manages liquidity risk by monitoring cash flow and maturity profiles of financial assets and liabilities.

Note 23. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include principal and interest cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated -2020	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	6,873	20	-	-	6,893
Interest-bearing - fixed rate						
Chattel mortgage	5.99%	101	101	404	-	606
Related party loan	2.46%	579	167	475	150	1,371
Lease liability	4.00%	1,248	1,308	1,285	-	3,841
Total non-derivatives		8,801	1,596	2,164	150	12,711

Consolidated -2019	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	6,848	-	-	-	6,848
Convertible note	-	500	-	-	-	500
Interest-bearing - fixed rate						
Related party loan	2.80%	292	146	438	132	1,008
Lease liability	10.80%	441	420	622	-	1,483
Total non-derivatives		8,081	566	1,060	132	9,839

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

There were no financial instruments that are measured subsequent to initial recognition at fair value as at reporting date.

Fair value of financial instruments

There were no financial instruments that are measured subsequent to initial recognition at fair value as at reporting date.

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the consolidated entity are as follows:

	2020		2019	
Consolidated	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Assets				
Cash and cash equivalents	7,245	7,245	9,819	9,819
Trade and other receivables	8,022	8,022	6,562	6,562
	15,267	15,267	16,381	16,381
Liabilities				
Trade and other payables	6,893	6,893	6,848	6,848
Convertible note	-	-	500	500
Chattel mortgage	516	516	-	-
Lease liability	3,602	3,602	1,483	1,483
Related party loans	1,303	1,303	1,008	1,008
	12,314	12,314	9,839	9,839

NOTE 24. FAIR VALUE MEASUREMENT

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTE 25. KEY MANAGEMENT PERSONNEL DISCLOSURES

Directors

The following persons were directors of Maggie Beer Holdings Limited during the financial year:

Reg Weine	Non-executive Chairman (appointed 13 March 2020)
Tom Kiing	Non-executive Director
Hugh Robertson	Non-executive Director
Maggie Beer AM	Non-executive Director
Tony Robinson	Non-executive Chairman (retired 29 November 2019)
Laura McBain	Managing Director (resigned 27 November 2019)

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Chantale Millard	Chief Executive Officer (appointed 2 December 2019)
Michael Caragounis	Chief Financial Officer (resigned 23 January 2020)

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2020 $	2019 $
Short-term employee benefits	1,178,472	803,355
Post-employment benefits	47,772	50,460
Long-term benefits	-	2,060
Share-based payments	60,000	80,144
	1,286,244	936,019

NOTE 26. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the company:

	Consolidated	
	2020 $	2019 $
Audit services - PricewaterhouseCoopers		
Audit or review of the financial statements	148,200	150,000
Other services - PricewaterhouseCoopers		
Other assurance services	-	10,000
Other services	100,000	100,000
Tax advisory	26,000	30,500
	126,000	140,500
	274,200	290,500

NOTE 27. CONTINGENT ASSETS

On 16 March 2020, an amicable resolution was reached with the vendors of B.-d Farms Paris Creek Pty Ltd in regards to the Company's Claim relating to particular warranties provided by the vendors as a part of the acquisition of Paris Creek Farms. The matter was settled for $500,000 which has been recorded as other income in the statement of profit and loss.

NOTE 28. COMMITMENTS

	Consolidated	
	2020 $	2019 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	753
One to five years	-	1,927
	-	2,680

Upon adoption AASB 16 from 1 July 2019, the majority of operating leases are now recognised on the balance sheet.

NOTE 29. RELATED PARTY TRANSACTIONS

Parent entity

Maggie Beer Holdings Limited (previously Longtable Group Limited) is the parent entity of the consolidated entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties

During the year, Maggie Beer Products Pty Ltd entered into the following trading transactions with related parties that are not members of the consolidated entity:

	Consolidated	
	2020 $	2019 $
Sale of goods and services:		
- To entities with common directorship	171,913	71,463
Payment for goods and services:		
- From entities with common directorship	657,804	128,627
- From key management personnel	157,104	39,548

During the previous financial year, the consolidated entity also paid or had payable $606,269 in relation to insurance renewals and related services provided by an entity associated with Tony Robinson, PSC Insurance Group Limited

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties entered into by Maggie Beer Products Pty Ltd, with related parties that are not members of the consolidated entity:

	Consolidated	
	2020 $	2019 $
Current receivables:		
Trade receivables from entities with common directorship	384	21,083
Current payables:		
Trade payables to entities with common directorship	42,158	7,975
Trade payables to key management personnel	14,401	14,401

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2020 $	2019 $
Total borrowings:		
Loan from entity with common directorship	1,303	1,008

As part of the acquisition of Maggie Beer Products Pty Ltd the company acquired an unsecured related party loan of $0.977 million with the vendor. The loan primarily relates to the dividend paid by Maggie Beer Products Pty Ltd and subsequently loaned back. The repayment of this loan will be made over the equivalent of 10 years and is interest bearing at a term deposit rate of 2.8%.

On conversion of the 500,000 Convertible Note on 15 April 2020, the Group has funded $100,000 of the redemption amount out of the Group's cash reserves, with the balance of $400,000 as loan funds advanced by the Note Holder to the Group. The Group and the Note Holder have entered into a loan agreement for the $400,000 loan, which is unsecured. The maturity date is 1 July 2021 and the interest rate is 1.70%. The loan and accrued interest have been repaid on 20 August 2020.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 30. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2020 $'000	2019 $'000
Loss after income tax	(14,982)	(17,402)
Total comprehensive income	(14,982)	(17,402)

Statement of financial position

	2020 $'000	2019 $'000
Total current assets	9,263	11,769
Total assets	57,393	71,776
Total current liabilities	1,586	1,379
Total liabilities	2,097	1,396
Equity		
Issued capital	120,695	120,695
Options reserve	1,634	1,721
Accumulated losses	(67,033)	(52,036)
Total equity	55,296	70,380

Contingent liabilities

There were no contingent liabilities of the company (2019: NIL).

Capital commitments - Property, plant and equipment

There were no commitments for the acquisition of property, plant and equipment by the parent entity during the year (2019: NIL).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in these financials, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

NOTE 31. BUSINESS COMBINATIONS

St David Dairy Pty Ltd

Effective 1 August 2018, the consolidated entity acquired 100% of the ordinary shares of St David Dairy Pty Ltd ("St David Dairy") for a total consideration of $14.95 million. St David Dairy is a premium inner-city dairy product processing and distribution business located at Fitzroy in Melbourne.

At the date of finalisation of the annual year report, the consolidated entity has finalised its analysis on whether all identifiable intangible assets have been recognised and vendor warranties and representations met. Accordingly, the initial accounting for the acquisition of St David Dairy has been definitively determined at the end of the reporting pe-riod. For tax purposes, the tax values of St David Dairy's assets are required to be reset based on market values of the assets when admitted into the tax consolidated group.

The acquired business contributed revenues of $6.65 million and a profit after tax of $0.64 million to the consolidated entity for the period ending 30 June 2019.

The trade and other receivables on date of acquisition is equivalent to the gross contractual receivables acquired less expected credit loss.

The goodwill is not deductible for tax purposes.

Following completion of acquisition accounting the following purchase price adjustments were made:

- an increase of other current assets acquired by $388,000;
- recognition and increase of liabilities by $1,104,000 in relation to deferred tax liabilities on intangibles acquired;
- as a result of the adjustments above, a net increase in the amount allocated to goodwill of $716,000.

The fair values of the identifiable net assets acquired are detailed below:

	Fair value $'000
Cash and cash equivalents	169
Trade and other receivables	423
Other current assets	407
Inventories	53
Plant and equipment	438
Motor vehicles	245
Brand	2,163
Customer contracts	1,515
Trade and other payables	(436)
Other current liabilities	(725)
Deferred tax liability	(1,104)
Net assets acquired	3,148
Goodwill	11,802
Acquisition-date fair value of the total consideration transferred	14,950
Representing:	
Cash paid or payable to vendor	12,250
MBH shares issued to vendor	
Value of MBH share issued at $0.63 (63 cents) per share*	2,700
	14,950

* The Company issued shares to vendors on completion of the acquisition of St David Dairy at a deemed issue price of $0.70 (70 cents) per share, with a total contract value of $3.00 million. However under AASB 3 - Business Combi-nation, the fair value of $2.70 million is calculated using $0.63 (63 cents) per share, being the closing share price on the date of shareholder approval (1 August 2018). This resulted in a decrease in the accounting value amounting by $0.30 million.

Note 31.Business combinations (Continued)

The fair values of the identifiable net assets acquired are detailed below:

i. Consideration transferred

The fair value of the ordinary shares issued to vendor was $0.63 (63 cents) per ordinary share, being the closing share price on 1 August 2018 (date of shareholder approval). The shares have been escrowed, with fifty percent of the shares escrowed for 12 months from the date of issue and the remaining fifty percent of the shares escrowed for 24 months from the date of issue.

ii. Acquisition related costs

Acquisition-related costs amounting to $0.02 million are not included as part of consideration for the acquisition and have been recognised as transaction costs for the period ended 30 June 2019.

Maggie Beer Products Pty Ltd ("MBP")

On 16 April 2019, the Group acquired the 52% of shares in MBP that it did not already own, for a mix of cash, shares and a convertible note.

This increased its existing ownership from 48% to 100%, and resulted in the Group gaining control of MBP.

At the date of finalisation of the annual year report, the consolidated entity has finalised its analysis on whether all identifiable intangible assets have been recognised and vendor warranties and representations met. Accordingly, the initial accounting for the acquisition of Maggie Beer Products Pty Ltd has been definitively determined at the end of the reporting period. For tax purposes, the tax values of MBP's assets are required to be reset based on market val-ues of the assets when admitted into the tax consolidated group.

The acquired business contributed revenue of $4.26 million and a net loss after tax of $0.05 million to the Group for the period since acquisition to 30 June 2019.

The trade and other receivables on date of acquisition is equivalent to the gross contractual receivables acquired less expected credit loss.

The goodwill is not deductible for tax purposes.

Following completion of acquisition accounting the following purchase price adjustments were made:

- an increase in the amount allocated to the brand intangible asset of $188,000;
- recognition and increase of the amount allocated to the customer contract intangible asset acquired of $1,560,000;
- an increase in the deferred tax liability in relation to the changes in the acquired intangible assets of $1,400,000;
- as a result of the adjustments above, a net decrease in the amount allocated to goodwill of $348,000.

Note 31. Business combinations (Continued)

The fair value of the identifiable net assets acquired are detailed below.

	Fair value $'000
Cash and cash equivalents	3,972
Trade receivables	3,497
Inventories	2,147
Other current assets	143
Plant and equipment	3,347
Brand	4,675
Customers contracts	1,560
Other intangible assets	58
Trade payables	(1,602)
Borrowings	(1,139)
Employee benefits provision	(481)
Related party loans	(977)
Deferred tax liability	(1,400)
Net assets acquired	13,800
Goodwill	3,585
Acquisition-date fair value of the total consideration transferred	17,385
Representing:	
Fair value of 48% equity interest previously held*	7,385
Cash paid or payable to vendor	8,500
MBH shares issued to vendor**	1,000
MBH Convertible note***	500
	17,385

i. Consideration transferred

* The company paid $10 million for the acquisition of the remaining 52% of the equity interest in MBP it did not al-ready own.

** The deemed issue price of the ordinary shares issued to vendor was $0.20 (20 cents) per ordinary share. The shares have been escrowed until 15 April 2021.

*** The fair value of the convertible note issued was $0.5 million, with terms including:

i) 12 months maturity with no coupon;

ii) Redeemable from completion date through to maturity for scrip at the holder's election;

iii) Redeemable at maturity for either cash or scrip at the holder's election;

iv) Conversion price of 20 cents if scrip is elected.

ii. Acquisition related costs

There were no material acquisition related costs incurred due to the existing ownership holding.

Note 31.Business combinations (Continued)

Accounting policy for business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity in-struments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instru-ments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities as-sumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisi-tion-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subse-quent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing in-vestment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the differ-ence is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reas-sessment of the identification and measurement of the net assets acquired, the non-controlling interest in the ac-quiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provi-sional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measure-ment period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer re-ceives all the information possible to determine fair value.

NOTE 32. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in these financial reports:

		Ownership interest	
	Principal place of business / Country of incorporation	2020 %	2019 %
B.-d Farms Paris Creek Pty Ltd*	Australia	100.00%	100.00%
St David Dairy Pty Ltd*	Australia	100.00%	100.00%
Maggie Beer Products Pty Ltd*	Australia	100.00%	100.00%

*Maggie Beer Holdings Limited (previously Longtable Group Limited), B.-d Paris Creek Farms Pty Ltd, Maggie Beer Products Pty Ltd and St David Dairy Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785

NOTE 33. EVENTS AFTER THE REPORTING PERIOD

On 16 July 2020, the Company held a General Meeting of shareholders where the following resolutions were approved by the shareholders:

- Change of name to Maggie Beer Holdings Limited

  In accordance with the Boards strategy to refresh and enhance the Company's brand, the name of the company was changed from Longtable Group Limited to Maggie Beer Holdings Limited.

  The Board believes that changing the name of the Company to Maggie Beer Holdings Limited better reflects the Company's core focus, whilst the Maggie Beer brand provides a premium halo for the Company's diverse product portfolio. Maggie Beer Holdings will be instantly recognised by shareholders, employees, customers and consumers of the Company's products. The Board hopes that the proposed new name will help to facilitate an improved understanding of the Company's businesses and our potential for growth.

- Non-executive directors' fees taken in shares
  The Director Fees Plan was established to allow the Company's directors to elect, from time to time, to be paid their remuneration through the issue of Shares in the Company, rather than as a cash payment. The Board believes the Director Fees Plan will form an important part of the remuneration for the Company's non-executive Directors that elect to participate in the Director Fees Plan, aligning their interests with those of Shareholders by linking their remuneration to the long term success of the Company and its financial performance.

- Chairman's options
  4,500,000 Options were issued to the Chairman, Reg Weine, under the Company's Employee Share Option Plan.

- Related party loan
  The $400,000 related party loan (refer to note 16. Current liabilities - other current financial liabilities) along with accrued interest have been repaid on 20 August 2020.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

NOTE 34
RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated	
	2020 $'000	2019 $'000 Restated
Loss after income tax benefit for the year	(14,754)	(21,656)
Adjustments for:		
Depreciation and amortisation	3,126	1,906
Share-based payments	(87)	127
Share of profit - associates	-	(474)
Net fair value gain on investments	-	(2,004)
Interest expense classified as financing cashflow	-	74
Impairment expense	12,067	15,190
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(558)	365
Decrease/(increase) in inventories	128	(86)
Decrease in deferred tax liabilities	-	(2,504)
Increase/(decrease) in other provisions	(354)	104
Decrease/Increase in trade creditors and accruals	49	1,007
Interest expense in finance costs	224	-
Net cash used in operating activities	(159)	(7,951)

Refer to note 4 for detailed information on Restatement of comparatives

Non-cash investing and financing activities consist of shares issued during the prior year as consideration for business combinations, as disclosed in Note 32.

NOTE 35. EARNINGS PER SHARE

	Consolidated	
	2020 $'000	2019 $'000
Loss after income tax attributable to the owners of Maggie Beer Holdings Limited	(14,754)	(21,656)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	207,212,713	129,476,274
Weighted average number of ordinary shares used in calculating diluted earnings per share	207,212,713	129,476,274
	Cents	Cents
Basic earnings per share	(7.120)	(16.726)
Diluted earnings per share	(7.120)	(16.726)

Refer to note 4 for detailed information on Restatement of comparatives

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Maggie Beer Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 36. SHARE-BASED PAYMENTS

The options and performance rights hold no voting or dividend rights and are not transferable.

Set out below is a summary of options outstanding at reporting date:

2020

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Expired/forfeited/ other	Balance at the end of the year
17/12/2013	17/12/2019	$1.500	50,321	-	(50,321)	-
17/12/2013	17/12/2020	$1.500	50,321	-	-	50,321
07/08/2017	07/08/2017	$0.500	2,800,000	-	(2,800,000)	-
28/11/2018	30/06/2020	$0.750	1,132,000	-	(1,132,000)	-
28/11/2018	30/06/2021	$0.750	4,528,000	-	(4,528,000)	-
			8,560,642	-	(8,510,321)	50,321

Options granted on 07/08/2017, which vested on the same day, have an expiry date of 27/05/2020, six months after Laura McBain's resignation date.

Following Laura McBain and Michael Caragounis' resignation on 27 November 2019 and 23 January 2020 respectively, the unvested options above have been forfeited.

2019

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Expired/ forfeited/ other	Balance at the end of the year
17/12/2013	17/12/2018	$1.500	50,321	-	(50,321)	-
17/12/2013	17/12/2019	$1.500	50,321	-	-	50,321
17/12/2013	17/12/2020	$1.500	50,321	-	-	50,321
07/08/2017	07/08/2017	$0.500	2,800,000	-	-	2,800,000
28/11/2018	30/06/2020	$0.750	-	1,132,000	-	1,132,000
28/11/2018	30/06/2021	$0.750	-	4,528,000	-	4,528,000
			2,950,963	5,660,000	(50,321)	8,560,642

Set out below is a summary of the performance rights outstanding at reporting date:

Grant date	Vesting date	2020 number	2019 number
28/11/2018	30/06/2019	-	230,000
28/11/2018	30/06/2020	15,666	230,000
28/11/2018	30/06/2021	31,334	580,000
		47,000	1,040,000

Options issued to previous Managing Director

There are no EPS hurdles attached to the options granted on 17 December 2013 to the previous Managing Director, Martin Burke, however, there are market conditions as follows:

a) The option will vest on the daily closing price of ordinary shares (as quoted on ASX) remaining at or above $0.285 throughout any consecutive 20 business day period (being a date on which the ASX is open for trading) commencing at any time after the date that is 12 months after the date of issue of the Options and ending before the expiry date.

b) The option will vest on the daily closing price of ordinary shares (as quoted on ASX) remaining at or above $0.50 throughout any consecutive 20 business day period (being a date on which the ASX is open for trading) commencing at any time after the date that is 12 months after the date of issue of the Options and ending before the expiry date.

On 13 October 2017 the company issued the current Managing Director, Laura McBain, 70,000,000 options, all of which vested on issue, and are able to be exercisable on or before
13 October 2021.

There are no market conditions or EPS hurdles attached to these options.

The 70,000,000 options are equivalent to 2,800,000 options post the share consolidation completed in March 2018.

Loan Funded Share Plan (LFSP)

On 24 June 2016, the Company granted a total of 21,750,000 (870,000 post share consolidation completed March 2018) loan funded shares to Tony Robinson, Chantale Millard and employees of Maggie Beer Products Pty Ltd (MBP).

MBP was a joint venture of the company and did not form part of the consolidated group at the time the LFSP was issued and the amounts attributable were expensed. Amounts attributable to the share based payments to Tony Rob-inson and employees of MBP are expensed by the company as these share based payments vest.

The loans to acquire the shares are to be repaid by the repayment dates set out in the loan agreement. If the loan is not repaid by the repayment date, the Company will have recourse only to the cash proceeds received by the em-ployee from a disposal of the loan funded shares and the distribution or after-tax amount in respect of a cash divi-dend received by the employee in respect of the loan funded shares.

DIRECTORS' DECLARATION
30 JUNE 2020

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial posi-tion as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they be-come due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Reg Weine
Non-Executive Chairman
27 August 2020

Independent auditor's report

To the members of Maggie Beer Holdings Limited (formerly known as Longtable Group Limited)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Maggie Beer Holdings Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the statement of financial position as at 30 June 2020
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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.

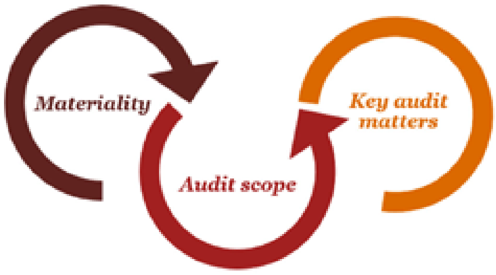
Independence

We are independent of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	**Audit scope**
• For the purpose of our audit we used overall Group materiality of $445,000, which represents approximately 1% of the Group's total revenues. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group total revenues because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • Maggie Beer Holdings Limited operates across three operating segments with its head office functions based in South Australia, Australia.

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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Impairment assessment of the St David Dairy Cash Generating Unit (CGU) *(Refer to note 14)* The Group acquired St David Dairy ("SDD") in August 2018 and recognised goodwill of $11.8 million, intangible assets of $3.7 million and other net liabilities of $0.5 million. The Group performed an impairment assessment of the SDD assets using a value-in-use discounted cash flow model and determined that no impairment is required. In order to assess the recoverability of these assets, the Group prepared a financial model to determine if the carrying values were supported by forecast future cash flows, discounted to present value (the "model"). We considered this to be a key audit matter because of the financial significance of goodwill and other intangibles recognised in the statement of financial position and the level of judgement involved by the Group in determining the assumptions used to perform impairment testing.	We performed the following procedures, amongst others, on the impairment assessment of SDD cash generating unit (CGU): • assessed whether the SDD CGU included assets, liabilities and cash flows directly attributable to the CGU and a reasonable allocation of corporate assets and overheads • considered whether the model was consistent with the basis required by Australian Accounting Standards • tested that forecast cash flows used in the model were consistent with the most up-to-date budget formally approved by the Board • with the assistance of PwC valuation experts, assessed whether the discount rate used in the model were reasonable by comparing them to market data, comparable companies and industry research • compared the terminal growth rate used in the model to historical growth rates achieved and external economic forecasts • tested the mathematical accuracy of the calculations in the model • evaluated the Group's ability to forecast future cash flows by comparing historical budgets with reported actual results • evaluated the adequacy of the disclosures made in note 14, including those regarding the key assumptions and sensitivities to changes in such assumptions, in light of the requirements of Australian Accounting Standards.
Accounting for business combinations *(Refer to note 4 and note 31)* The Group acquired two businesses in the financial year ended 30 June 2019 and were presented on a provisional basis:	Our procedures in relation to the accounting for the business combinations included amongst others:

- 100% of St David Dairy Pty Ltd on 1 August 2018
- The remaining 52% of Maggie Beer Products Pty Ltd ("MBP") on 16 April 2019.

In the year ended 30 June 2020, the Group made fair value adjustments when finalising the accounting for business combinations. The impact of these adjustments is presented in note 4 where comparatives have been restated to reflect the acquisition as if it had been finalised at 30 June 2019.

We determined that this is a key audit matter due to the materiality of the transactions, the judgement involved in calculating the fair value of the net assets acquired and resultant goodwill arising on the acquisitions.

- assessed the final valuation of identifiable intangible assets and fair value of other assets acquired
- tested the mathematical accuracy of the Group's calculation of the resulting goodwill arising on acquisition
- assessed the accuracy and completeness of business combination disclosures in the financial statements, in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, 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 on the other information that we obtained prior to the date of this auditor's report, 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.

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 have 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at 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

Our opinion on the remuneration report

We have audited the remuneration report included in pages 21 to 26 of the directors' report for the year ended 30 June 2020.

In our opinion, the remuneration report of Maggie Beer Holdings Limited for the year ended 30 June 2020 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Brad Peake
Partner

Melbourne
27 August 2020

The shareholder information set out below was applicable as at 25 August 2020.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of ordinary shares held	Percentage of ordinary shares held
1 to 1,000	1,041	259,918	0.13
1,001 to 5,000	672	1,880,927	0.91
5,001 to10,000	355	2,736,148	1.32
10,001 to 100,000	665	21,584,223	10.41
100,001 and over	153	180,801,075	87.23
	2,886	207,262,291	100
Holding less than a marketable parcel	799	74,457	0.03%

	Number of option holders	Number of options held	Percentage of options held	Number of performance rights holders	Number of performance rights held	Percentage of performance rights held
1 - 1,000	-	-	-	-	-	-
1,001 - 5,000	-	-	-	-	-	-
5,001 to10,000	-	-	-	-	-	-
10,001 to 100,000	1	50,321	1.11%	2	31,334	100.00%
100,001 and over	1	4,500,000	98.89%	-	-	-
	1	4,550,321		2	30,000	

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% total shares issued
Rubi Holdings Pty Ltd <John Rubino S/F A/C>	20,160,097	9.73%
National Nominees Limited	19,227,151	9.28%
Dynasty Peak Pty Ltd <Avoca Super Fund A/C>	15,759,495	7.60%
HSBC Custody Nominees (Australia) Limited - A/C 2	12,347,128	5.96%
BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	8,572,351	4.14%
Sieana Pty Ltd	8,429,010	4.07%
Citicorp Nominees Pty Limited	6,386,063	3.08%
Bnp Paribas Noms Pty Ltd <Drp>	6,304,289	3.04%

Equity security holders (Continued)

	Ordinary shares	
	Number held	% total shares issued
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <Drp A/C>	5,577,291	2.69%
Beer Family Holdings Pty Ltd <Beer Family A/C>	4,650,000	2.24%
Thirty-Fifth Celebration Pty Ltd <Jc Mcbain Super Fund A/C>	4,161,967	2.01%
Buduva Pty Ltd <Baskerville Super Fund A/C>	4,000,000	1.93%
HSBC Custody Nominees (Australia) Limited	3,201,063	1.54%
Mr Helmut Kujat-Spranz & Mrs Ulrike Beatrice Spranz <Spranz Family A/C>	3,200,000	1.54%
Ben Evans Pty Ltd <The Evans Family A/C>	3,150,714	1.52%
Mr Martin John Holtman	2,201,801	1.06%
Bungeeltap Pty Ltd <H & B Robertson S/F A/C>	2,129,586	1.03%
Bickfords (Australia) Pty Ltd	1,842,396	0.89%
Arthingworth Pty Ltd <Dalziel Family Super A/C>	1,550,000	0.75%
C & M Beer Nominees Pty Ltd <Beer Family No 3 A/C>	1,533,332	0.74%
	134,383,734	64.84%

Substantial holders

The Company has received the following substantial Shareholder notices:

	Ordinary shares	
	Number held	% total shares issued
Rubi Holdings Pty Ltd	20,160,097	9.73
Perennial Value Management	17,608,156	8.50
Dynasty Peak Pty Ltd	15,759,495	7.60

Voting rights

The voting rights attached to ordinary shares are set out below:

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

Options do not carry voting rights.

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Fully paid ordinary shares	15 April 2021	4,650,000
Fully paid ordinary shares	15 April 2021	350,000
		5,000,000

2020 CORPORATE GOVERNANCE STATEMENT

The Board of Maggie Beer Holdings Limited (the Company or Group) is responsible for the overall corporate governance of the Group. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (Recommendations) during the reporting period. The Recommendations are not prescriptive, such that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which ones and provide reasons for not following them.

This Corporate Governance Statement (Statement) discloses the extent to which Maggie Beer Holdings Limited has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the material on our website www. maggiebeerholdings.com.au, including the 2020 Annual Report.

This Statement is current as at 30 June 2020 and has been approved by the Board of Directors of the Company.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 - Role of the Board and Management

The role of the Board is to provide overall strategic guidance and effective oversight of management.

The Board has a formal Board Charter which is available on our website at www. maggiebeerholdings.com.au

The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' conflicts of interest and information, details of the Board's relationship with management, details of the Board's performance review and details of the Group's Codes of Conduct.

The Board delegates responsibility for the day-to-day management of the Company and its business to the Chief Executive Officer (CEO). The CEO is supported by the senior executive team and delegates authority to appropriate senior executives for specific activities. The Board maintains ultimate responsibility for strategy, control and risk profile of the Group.

Recommendation 1.2: Appointment of Directors

The Company undertakes appropriate checks before appointing a person or putting forward to security holders a candidate for election or re-election, as a Director.

We provide our shareholders with all material information relevant to a decision on whether or not to elect or re-elect a Director. The information is provided to shareholders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.

Recommendation 1.3: Appointment Terms

Each director and senior executive is party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.

Recommendation 1.4: Company Secretary

The Board is supported by the Company Secretary, whose role includes supporting the Board on governance matters, assisting the Board with meetings and directors' duties, and acting as an interface between the Board and senior executives across the Group. The Board and individual Directors have access to the Company Secretary.

The Company Secretary is accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board.

The Board is responsible for the appointment of the Company Secretary.

Recommendation 1.5: Diversity Policy

The workforce of the Company comprises individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is valued and respected. The Company has implemented a Diversity Policy which can be viewed at www.maggiebeerholdings.com.au. The Diversity Policy provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress in achieving them.

The Diversity Policy is available on the Company's website at www.maggiebeerholdings.com.au.

The measurable objectives in FY20 include:

- increasing the representation of women on the Board as vacancies and circumstances allow. As of 30 June 2020 the representation of women on the Board decreased from 40% to 25%.
- strengthen the talent pipeline to ensure the representation of women in senior management positions. As of 30 June 2020 the representation of women in senior management roles is approximately 50%.

The proportion of women on the Board, in senior executive positions and women across the entire organisation as at 30 June 2020 was as follows:

- Women on the Board – 25%
- Women in senior executive positions – 50%
- Women across the entire organisation – 49%

The Board is committed to appointing the best person into any position in the Company, whilst simultaneously taking steps to provide supporting infrastructure for diversity and bringing open-minded approach to the skills and experience required for each role.

Recommendation 1.6: Board Performance Assessment

The Board is committed to formally evaluating its performance, the performance of its committees (if applicable) and individual Directors, as well as the governance processes supporting the Board. The Board does this through an annual assessment process.

The review process involves:

- completion of a questionnaire/survey by each director, facilitated by the Company Secretary;
- the preparation and provision of a report to each director with feedback on the performance of the Board based on the survey results; and
- The Board meeting to discuss any areas and actions for improvement.

A Board performance assessment took place during FY20.

Recommendation 1.7: Senior Executive Performance Assessment

Senior Executives are appointed by the CEO and their Key Performance Indicators (KPI's) contain specific financial and non-financial objectives.

These KPI's are reviewed annually by the CEO. The performance of each Senior Executive against these objectives is evaluated annually.

A performance evaluation was carried out during the year.

PRINCIPLE 2 – BOARD STRUCTURE

Recommendation 2.1: Nomination Committee

The Board has established a Nomination & Remuneration Committee to assist the Board in ensuring it is equipped to discharge its responsibilities. The Committee has guidelines for the nomination and selection of Directors and for the operation of the Board.

The Committee has three members, all of which are independent and comprises of:

- Hugh Robertson – Independent Chairman
- Reg Weine – Independent Member
- Tom Kiing – Independent Member

The Nomination & Remuneration Committee Charter is available on the Company's website at www.maggiebeerholdings.com.au.

The number of meetings held and attended by the Nomination & Remuneration Committee during the financial year ended 30 June 2020 were as follows:

	Attended	Held
Hugh Robertson	2	2
Reg Weine	1	2
Tom Kiing	2	2

Recommendation 2.2: Board Skills Matrix

The following matrix sets out the key skills and experience of the directors and whether such skills and experience are represented on the Board and its committees. The Directors' Report also outlines the period of office, relevant skills, experience, expertise and background particular to each director in office at the date of this report.

Skills and Experience	Board	Remuneration and Nomination Committee	Audit and Risk Committee
Strategic Agility Ability to think strategically and identify and critically assess strategic opportunities and threats and challenge the options in the context of the strategic objectives of the Company.	Yes	Yes	Yes
Financial Acumen Senior experience in public company financial accounting, management and reporting	Yes	Yes	Yes
Health and Safety Experience in workplace health and safety	Yes	Yes	Yes
Risk and Compliance Oversight Ability to identify key risks to the company in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems.	Yes	Yes	Yes
Corporate Governance Knowledge & experience in best practice corporate governance structures, policies and processes.	Yes	Yes	Yes
Executive Management Experience at an executive level in a successful career.	Yes	Yes	Yes
Marketing / Sales Experience A broad range of commercial / business experience, in specific areas including marketing, sales, branding and business systems, export and innovation.	Yes	Yes	Yes
Operational and Supply Chain Experience Manufacturing, Operations and Supply Chain management experience across multiple operations nationally and/or internationally.	Yes	Yes	Yes
FMCG Experience Business experience specifically in fast moving consumer goods businesses.	Yes	Yes	Yes

The Chief Executive Officer brings a deep understanding of the Company's business and operations as well as the industry in which the Company operates.

In addition, the Board, with the assistance of the Remuneration and Nomination Committee:

- considers the skills, background, knowledge, experience and diversity necessary to allow it to meet the Company's purpose;

- assesses the skills, background, knowledge, experience and diversity currently represented on the Board; and
- identifies any inadequacies in Board representation in these areas and agrees the process necessary to ensure a candidate is selected who brings them to the Board.

An independent Director is a Non-Executive Director who:

- is not a member of management;
- is free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement;
- meets the criteria for independence set out in Box 2.3 of the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (Best Practice Recommendations);
- has not served on the Board for a period which could materially interfere with the director's ability to act in the best interests of the Group; and
- does not have any interest or business relationship which could, or could reasonably be perceived to, materially interfere with the directors' ability to act in the best interests of the Company

'Materiality' for these purposes is assessed on a case by case basis having regard to the Group's and the relevant director's circumstances, including the significance of the relationship to the director in the context of the director's activities as a whole.

The Board has three independent Directors, Reg Weine (Non-Executive Chairman), Tom Kiing (Non-executive Director) and Hugh Robertson (Non-Executive Director).

Maggie Beer is not considered to be independent on the basis that she has been employed in an executive capacity by one of the Company's subsidiaries, Maggie Beer Products Pty Ltd, and there has not been a period of at least three years between ceasing such employment and serving on the Board.

The length of service for each director is set out in the following table:

Name	Length of Service
Tom Kiing	11 years and 11 months.
Hugh Robertson	4 years and 8 months.
Maggie Beer AM	1 year and 2 months.
Reg Weine	3 months

Recommendation 2.4: Majority Independence

As at the date of this Statement, three of the four Directors are deemed independent and the Company does have a majority of independent directors.

Recommendation 2.5: Board Chair

The Chair, Reg Weine, was appointed to the position on 13 March 2020 and is considered an independent Director.

The roles of Chair and CEO are exercised by different individuals, being Reg Weine and Chantale Millard, respectively.

Recommendation 2.6: Induction, Education and Training

In accordance with the Company's Nomination & Remuneration Committee Charter, the Nomination & Remuneration Committee is responsible for establishing and reviewing induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.

Directors are also encouraged to personally undertake appropriate training and refresher courses, as appropriate, to maintain the skills required to discharge their obligations to the Company.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1: Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct for Directors and Senior Executives designed to:

- provide a framework for decisions and actions in relation to ethical conduct in employment;
- support the Company's business reputation and corporate image; and
- make Directors' and senior executives aware of the consequences if they breach the Code of Conduct for Directors and Senior Executives

The Code of Conduct for Directors and Senior Executives can be found on our website at www.maggiebeerholdings.com.au.

The key aspects of this code are to:

- act fairly with honesty and integrity in the best interests of the Company and in the reasonable expectations of shareholders;
- act in accordance with all applicable laws, regulations, and the Company policies and procedures; and
- act in an appropriate business-like manner when representing the Company in public forums.

The Code of Conduct for Directors and Senior Executives sets out the Company's policies on various matters including integrity, conflicts of interest, confidentiality and protection and proper use of assets.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1: Audit Committee

It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The Board has established an Audit Committee, which operates under a formal charter approved by the Board, to which it has delegated the responsibility to establish and maintain the framework of internal control and ethical standards for the management of the company. The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

The Committee comprises of three members, all of whom are independent non-executive directors. The Chair of the Committee is independent and is not the Chair of the Board. The Audit Committee membership is provided below:

- Tom Kiing – Independent Chairman
- Reg Weine - Independent Member
- Hugh Robertson – Independent Member

The Audit Committee Charter is available on the Company's website at www. maggiebeerholdingsp.com.au.

Details of meetings held by the Committee during the year and member attendances are set out in the 2020 Directors' Report.

Recommendation 4.2: Assurances

The CEO and Chief Financial Officer (CFO) provide a declaration to the Board prior to the Board's approval of the Company's financial results for the financial period. This process was followed for the 2020 half year and full year financial results, where the CEO and CFO provided a declaration to the Board that, in their opinion, the 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 Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3: External Auditor

Pricewaterhouse Coopers (PwC) is the appointed auditor of the Company. PwC was present at the 2019 Annual General Meeting of the Company and was available to answer questions from security holders relevant to the 2019 audit.

PwC will attend the Company's 2020 AGM and a representative will be available to answer shareholder questions about the conduct of the 2020 audit and the preparation and content of the auditor's report.

PwC's independence declaration is contained in the Directors' Report in our 2020 Annual Report.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: Continuous Disclosure Policy

We are committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act 2001.

To comply with these obligations, the Board has adopted a Continuous Disclosure Policy, which is available on our website at www.maggiebeerholdings.com.au.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1: Information and Governance

Information about the Company and its corporate governance policies is available on our website at www.maggiebeerholdings.com.au.

The Company discloses information on its website to provide shareholders with links to annual and interim reports, ASX announcements, presentations and other key information.

Recommendation 6.2: Investor Relations

We endeavour to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions. The Company has a program approved by the Board with respect to investor relations.

The Company has adopted a Shareholder Communications Policy (Policy) which aims to promote and facilitate effective two-way communication with investors. The Policy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website www.maggiebeerholdings.com.au.

Recommendation 6.3: Shareholder Meeting Participation

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the Company's website), and documents relating to each General Meeting, being the notice of meeting, any explanatory memorandum and a proxy form. The Board encourages full participation at security holder meetings.

The Board regards each General Meeting as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company will provide an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and if applicable, its external auditor.

Further information is included in the Company's Shareholder Communications Policy, which is located on the Company's website at www.maggiebeerholdings.com.au.

Recommendation 6.4: Electronic Communication with Shareholders

The Shareholder Communication Policy provides that security holders are given the option to receive communication from, and send communications to, the Company and its share registry, Boardroom, electronically. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.

Shareholder queries should be referred to the Company Secretary at first instance.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1: Risk Committee

The Audit Committee has delegated responsibilities in relation to risk management as set out in the Audit Committee Charter. Its role includes assisting the Board to:

(a) Review and make recommendations regarding the adequacy and integrity of the Company's risk management framework and system of internal controls; and

(b) Reviewing compliance with relevant laws and regulations.

The Audit Committee comprises three members, all of whom are independent directors and the Chair of the Committee is not the Chair of the Board. The members of the Audit Committee are:

- Tom Kiing - Independent Chairman
- Reg Weine - Independent Member
- Hugh Robertson - Independent Member

The Audit Committee Charter is available on the Company's website at www.maggiebeerholdings.com.au.

Details of meetings held by the Audit Committee during the year and member attendances are set out in the 2020 Directors' Report.

Recommendation 7.2: Risk Management Framework

The Group's risk management framework is supported by the Board of directors, management team and the Audit Committee. The Board is responsible for approving and review the Company's risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.

A review of the entity's risk management framework was carried out during the financial year ended 30 June 2020.

Recommendation 7.3: Internal Audit

The Audit Committee Charter provides for the Audit Committee to monitor the need for an internal audit function.

The Company did not have an internal audit function for the past financial year. Due to the size of the Company, the Board does not consider it necessary to have an internal audit function.

The Company will employ the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:

(i) the Audit Committee will monitor the need for an internal audit function having regard to the size, location and complexity of the Company's operations; and

(ii) the Audit Committee will periodically undertake an internal review of financial systems and processes, and where systems are considered to require improvement, these systems are developed.

Recommendation 7.4: Economic, Environmental and Social Sustainability Risk

The Company has material exposure to environmental and social sustainability risks. The Company is currently in a transformational period and will continue to review its economic, environmental and social sustainability risks over the coming reporting periods and report against those risks.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBILITY

Recommendation 8.1: Remuneration Committee

The Board has established a Nomination & Remuneration Committee to assist the Board in ensuring it is equipped to discharge its responsibilities. The Nomination & Remuneration Committee has guidelines for the nomination and selection of directors and for the operation of the Board. The Nomination & Remuneration Committee comprises of three members, the majority of whom are independent directors as follows:

- Hugh Robertson – Independent Chairman
- Reg Weine – Independent Member
- Tom Kiing – Non-Independent Member

The Nomination & Remuneration Committee Charter is available on the Company's website at www.maggiebeerholdings.com.au.

The number of meetings held and attended by the Nomination & Remuneration Committee during the financial year ended 30 June 2020 were as follows:

	Attended	Held
Hugh Robertson	2	2
Reg Weine	1	2
Tom Kiing	2	2

Recommendation 8.2: Remuneration Policies and Practices

Details of the Company's remuneration practices for its Directors and senior executives are disclosed in the Remuneration Report in the Company's Annual Report.

Separate disclosure regarding the remuneration of the Company's directors (executive and non-executive) is disclosed in the Company's Annual report, as lodged with the ASX and issued to shareholders.

Recommendation 8.3: Equity Based Remuneration Scheme

The Company had an Employee Share Plan (ESP) and Employee Option Plan (EOP) during the financial year. The Company's Share Trading Policy provides details of whether participants can enter into transactions which limit the economic risk of participating in the ESP and EOP. The Share Trading Policy is available on the Company's website at www.maggiebeerholdings.com.au.

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