

## TASFOODS LIMITED

### APPENDIX 4D - HALF-YEAR REPORT

#### 1. DETAILS OF THE REPORTING PERIOD

Financial Reporting Period Ended	Half-year ended 30 June 2021
Previous Corresponding Reporting Period	Half-year ended 30 June 2020

#### 2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 June 2021 \$'000	30 June 2020 \$'000	% Change
Revenue from continuing operations	34,261	32,742	4.6%
Loss from ordinary activities after tax attributable to members	(1,424)	(7,212)	80.2%
Loss for the period attributable to members	(1,424)	(7,212)	80.2%

#### 3. DIVIDENDS AND DISTRIBUTIONS

	Amount per security	Franked amount per security
Dividends (distributions)		
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period	Nil	Nil

#### Record date for determining entitlements to the dividends (if any):

Not Applicable

#### Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to Half Year Financial Report (Attachment 1).

The half-yearly report is to be read in conjunction with the most recent annual financial report.

#### 4. NET TANGIBLE ASSETS PER SECURITY

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	7.65 cents per share	7.45 cents per share

#### 5. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

None

#### 6. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

None

#### 7. AUDIT / REVIEW STATUS

The Half-Year Financial Report has been independently reviewed by the Company's auditors. A copy of the review report is included in the Half-Year Financial Report (Attachment 1).

#### 8. ATTACHMENTS FORMING PART OF APPENDIX 4D

Attachment Number	Details
1	Financial Report for the Half Year Ended 30 June 2021

The Appendix 4D has been authorised for release to the ASX by the Company's Board of Directors.

Marta Button  
Company Secretary

27 August 2021

# **TasFoods Limited**

ACN 084 800 902

## **Financial Report**

**For the Half Year Ended 30 June 2021**

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The Directors of TasFoods Limited (the Company) present the financial report on the Company and its controlled entities (the Group) for the half-year ended 30 June 2021.

### Directors

Details of the Directors of the Company in office at any time during or since the end of the financial year and at the date of this report are:

Mr Craig Treasure	Non-Executive Chair
Ms Jane Bennett	Chief Executive Officer and Managing Director
Mr Ben Swain	Non-Executive Director
Mr John Murphy	Non-Executive Director (appointed 23 June 2021)
Mr John O'Hara	Non-Executive Director (appointed 23 June 2021)
Mr Roger McBain	Non-Executive Director (resigned 22 June 2021)

### Company Secretary

Marta Button	Appointed 12 April 2021
Janelle O'Reilly	Resigned 12 April 2021

### Principal Activities

The principal activities of the Group are the processing, manufacture and sales of premium Tasmanian food products.

### Operating and Financial Review

In the half-year ended 30 June 2021 the TasFoods Group reported continued growth in sales revenue to \$33.934 million, 5% higher than H1 2020.

Comparative EBITDA was negative \$0.299 million in H1 2021, an improvement of \$1.019 million from H1 2020. This improvement was led by stable trading conditions experienced in H1 2021 and management's focus on gross margin improvement initiatives resulting in an increase in the gross profit margin of 8% compared to the prior comparative period (pcp).

	H1 2021				H1 2020			
	Dairy \$'000	Poultry \$'000	Corporate and Other \$'000	Total \$'000	Dairy \$'000	Poultry \$'000	Corporate and Other \$'000	Total \$'000
Revenue	14,812	18,906	216	33,934	14,079	18,439	224	32,742
EBITDA	1,088	852	(2,238)	(299)	(810)	(1,719)	(3,468)	(5,997)
Impairment Expense	-	-	-	-	1,500	2,000	-	3,500
Wasabi Biological Asset Write Down	-	-	-	-	-	-	1,179	1,179
<b>Comparative EBITDA</b>	<b>1,088</b>	<b>852</b>	<b>(2,238)</b>	<b>(299)</b>	<b>690</b>	<b>281</b>	<b>(2,289)</b>	<b>(1,318)</b>

The dairy division continued to reinforce its position as a key pillar of profitability, reporting a strong financial contribution at both the revenue and EBITDA levels. Sales revenue increase by 5% to \$14.812 million associated with increased ranging in major and independent retail, expanded distribution and

the launch of new products. A 5% improvement in the gross profit margin over the pcp contributed to the dairy EBITDA contribution increasing by 58% over H1 2020 to \$1.088 million.

The poultry division reported stable recovery from the COVID-19 influenced market volatility experienced in FY2020, with poultry sales revenue increasing by 3% over the pcp to \$18.906 million. An improvement in EBITDA of \$0.571 million or 203% was reported which was primarily due to an improvement in gross margin of 3% over the pcp, led by higher selling prices associated with stable trading conditions.

EBITDA for the Corporate and Other division has remained stable year-on-year.

#### **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 on page 4 and forms part of this Directors' Report.

#### **Rounding of Amounts**

The 'rounding off' of amounts in the directors' report has been conducted in accordance with Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission. Amounts have been rounded off to the nearest thousand dollars or, in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors



Craig Treasure  
Non-Executive Chairman

27 August 2021



## *Auditor's Independence Declaration*

As lead auditor for the review of TasFoods Limited for the half-year ended 30 June 2021, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of TasFoods Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Brad Peake'.

Brad Peake  
Partner  
PricewaterhouseCoopers

Melbourne  
27 August 2021

**TasFoods Limited**Consolidated Statement of Profit and Loss and Other Comprehensive Income  
For the Half Year Ended 30 June 2021

		<b>30 June</b>	30 June
		<b>2021</b>	2020
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue from operations		<b>33,934</b>	32,459
Other income		<b>327</b>	283
Fair value adjustment of biological assets	4	<b>219</b>	(1,361)
Impairment Expense	6	-	(3,500)
Raw materials used		<b>(19,348)</b>	(20,025)
Employment and contractor expense		<b>(9,491)</b>	(8,347)
Freight		<b>(2,359)</b>	(2,259)
Occupancy costs		<b>(683)</b>	(722)
Depreciation and amortisation		<b>(987)</b>	(1,036)
Finance costs		<b>(140)</b>	(180)
Travel and accommodation		<b>(41)</b>	(42)
Legal and professional fees		<b>(173)</b>	(151)
Marketing and event expenses		<b>(341)</b>	(243)
Repairs and maintenance		<b>(468)</b>	(421)
Research and development		<b>(23)</b>	(8)
Investment expenses		-	(15)
Other expenses		<b>(1,851)</b>	(1,644)
<b>Loss before income tax</b>		<b>(1,424)</b>	(7,212)
Income tax expense		-	-
<b>Net Loss after tax for the half year from continuing operations</b>		<b>(1,424)</b>	(7,212)
Net profit/(loss) after tax for the half year from discontinued operations		<b>0</b>	0
<b>Net Loss after tax for the half year</b>		<b>(1,424)</b>	(7,212)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss in the future:</i>			
Other comprehensive loss net of tax		-	-
<b>Total comprehensive loss</b>		<b>(1,424)</b>	(7,212)
Net profit for the period attributable to:			
Owners of TasFoods Limited		<b>(1,424)</b>	(7,212)
		<b>(1,424)</b>	(7,212)
Total comprehensive income for the half year is attributable to:			
Owners of TasFoods Limited		<b>(1,424)</b>	(7,212)
		<b>(1,424)</b>	(7,212)
Basic loss per share (cents per share)		<b>(0.40)</b>	(2.64)
Diluted loss per share (cents per share)		<b>(0.40)</b>	(2.64)
Basic loss per share from continuing operations (cents per share)		<b>(0.40)</b>	(2.64)
Diluted loss per share from continuing operations (cents per share)		<b>(0.40)</b>	(2.64)

*The above statement should be read in conjunction with the accompanying notes*

**TasFoods Limited**  
Consolidated Statement of Financial Position  
For the Half Year Ended 30 June 2021

	Note	30 June 2021 \$'000	31 December 2020 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	3	4,273	7,635
Trade and other receivables		4,282	4,493
Biological assets	4	2,543	2,338
Inventory		4,867	4,504
Prepayments		423	905
<b>Total Current Assets</b>		<b>16,389</b>	<b>19,877</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	5a	26,125	25,308
Right of use assets	5b	1,519	968
Intangible assets	6	11,059	10,953
Biological assets	4	31	38
<b>Total Non-Current Assets</b>		<b>38,733</b>	<b>37,267</b>
<b>Total Assets</b>		<b>55,122</b>	<b>57,144</b>
<b>Current Liabilities</b>			
Trade and other payables		8,450	9,175
Borrowings	7	321	539
Lease liabilities	5b	449	327
Provisions		1,240	1,172
<b>Total Current Liabilities</b>		<b>10,460</b>	<b>11,214</b>
<b>Non-Current Liabilities</b>			
Borrowings	7	5,080	5,278
Lease liabilities	5b	1,591	1,258
Provisions		143	153
Deferred tax liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>6,814</b>	<b>6,688</b>
<b>Total Liabilities</b>		<b>17,274</b>	<b>17,903</b>
<b>Net Assets</b>		<b>37,848</b>	<b>39,241</b>
<b>Equity</b>			
Contributed Equity	8	61,038	61,053
Reserves		640	594
Accumulated Losses		(23,830)	(22,407)
<b>Total Equity</b>		<b>37,848</b>	<b>39,241</b>

*The above statement should be read in conjunction with the accompanying notes*

**TasFoods Limited**Consolidated Statement of Changes in Equity  
For the Half Year Ended 30 June 2021

	Contributed Equity \$'000	Reserves \$'000	Accumulated Losses \$'000	Total \$'000
<b>Balance at 1 January 2020</b>	<b>53,983</b>	<b>493</b>	<b>(15,998)</b>	<b>38,478</b>
Loss for the half year	-	-	(7,212)	(7,212)
Total comprehensive income for the half year	-	-	(7,212)	(7,212)
Issue of shares	-	-	-	-
Share issue costs	(3)	-	-	(3)
Share-based payment expense	-	62	-	62
<b>Balance at 30 June 2020</b>	<b>53,980</b>	<b>555</b>	<b>(23,210)</b>	<b>31,325</b>
<b>Balance at 1 January 2021</b>	<b>61,054</b>	<b>594</b>	<b>(22,406)</b>	<b>39,241</b>
Loss for the half year	-	-	(1,424)	(1,424)
Total comprehensive income for the half year	-	-	(1,424)	(1,424)
Issue of shares	-	-	-	-
Share issue costs	(14)	-	-	(14)
Share-based payment expense	-	46	-	46
<b>Balance at 30 June 2021</b>	<b>61,038</b>	<b>640</b>	<b>(23,830)</b>	<b>37,848</b>

*The above statement should be read in conjunction with the accompanying notes*

**TasFoods Limited**

## Consolidated Statement of Cash Flows

For the Half Year Ended 30 June 2021

	<b>Note</b>	<b>30 June 2021 \$'000</b>	<b>30 June 2020 \$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		34,050	33,061
Payments to suppliers and employees		(35,201)	(33,550)
Interest received		1	1
Interest paid		(140)	(186)
Expenditure incurred in the pursuit of acquisitions and investment opportunities		-	(15)
Other		234	288
Net cash (used in)/provided by operating activities		<u>(1,056)</u>	<u>(402)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,561)	(408)
Payments for other non-current assets		(72)	-
Net cash (used in)/provided by investing activities		<u>(1,633)</u>	<u>(408)</u>
<b>Cash flows from financing activities</b>			
Cost of issuing shares		(14)	(2)
Proceeds from borrowings		-	1,021
Repayment of borrowings		(300)	(357)
Net cash provided by/(used in) financing activities		<u>(314)</u>	<u>662</u>
<b>Net (decrease)/increase in cash held</b>		<b>(3,003)</b>	<b>(148)</b>
Cash and cash equivalents at the beginning of the half year		<u>7,244</u>	<u>1,444</u>
Cash and cash equivalents at the end of the half year	3	<u>4,241</u>	<u>1,295</u>

*The above statement should be read in conjunction with the accompanying notes*

## TasFoods Limited

Notes to and Forming Part of the Financial Statements  
For the Half Year Ended 30 June 2021

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This consolidated interim financial report and notes represent those of TasFoods Limited and controlled entities (the Group). TasFoods Limited is a company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX).

### 1. BASIS OF PREPARATION

This consolidated interim financial report for the half-year reporting period ended 30 June 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

#### b) Critical accounting estimates, judgements and errors

The preparation of the interim financial statements of the Group requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Groups accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

### 2. SEGMENT INFORMATION

The operating segments are based upon the units identified in the operating reports reviewed by the Board and executive management, and that are used to make strategic decision, in conjunction with the quantitative thresholds established by *AASB 8 Operating Segments*. As such, there are three identifiable and reportable segments each of which are outlined below:

- The Dairy segment incorporates:
  - Meander Valley Dairy business operations, the assets of which were acquired in September 2015;
  - Pyengana Dairy business operations, the assets of which were acquired in October 2017; and
  - Betta Milk business operations, the assets of which were acquired in July 2019.

**TasFoods Limited**

Notes to and Forming Part of the Financial Statements  
For the Half Year Ended 30 June 2021

- The Poultry segment incorporates the net assets and business operations of Nichols Poultry Pty Ltd, which was acquired in June 2016.
- The Corporate and Other segment, which comprise:
  - Corporate costs that are not directly attributable to operational business units, including the Shared Service teams, which provide administrative support to the operational production units in the areas of financial management, human resources, sales, marketing, brand management, route to market, quality assurance and food safety, and work health and safety; and
  - The net assets and business operations of Shima Wasabi Pty Ltd, which was acquired in June 2016.

Management measures the performance of the segments identified at the Earnings Before Tax Interest Depreciation and Amortisation 'EBITDA' level.

	Dairy \$'000	Poultry \$'000	Corporate and Other \$'000	Total \$'000
<b>Half year 30 June 2021</b>				
<b>Revenue</b>				
Total segment sales revenue	14,812	18,906	216	33,934
Other income	58	235	33	327
	<u>14,870</u>	<u>19,142</u>	<u>249</u>	<u>34,261</u>
Segment EBITDA	1,088	852	(2,238)	(299)
Depreciation	(441)	(456)	(90)	(987)
Interest	(23)	(104)	(11)	(139)
Impairment Expense	-	-	-	-
Biological Asset Write Down of Wasabi Crop	-	-	-	-
Segment profit/(loss)	<u>624</u>	<u>291</u>	<u>(2,340)</u>	<u>(1,424)</u>
Loss before income tax expense				(1,424)
Income tax expense				-
<b>Loss after income tax expense</b>				<u><b>(1,424)</b></u>

**TasFoods Limited**

Notes to and Forming Part of the Financial Statements  
For the Half Year Ended 30 June 2021

	Dairy \$'000	Poultry \$'000	Corporate and Other \$'000	Total \$'000
<b>Half year 30 June 2020</b>				
<b>Revenue</b>				
Total segment sales revenue	14,015	18,291	153	32,459
Other income	64	148	70	283
	<u>14,079</u>	<u>18,439</u>	<u>224</u>	<u>32,742</u>
Segment EBITDA	690	281	(2,289)	(1,318)
Depreciation	(464)	(472)	(99)	(1,036)
Interest	(27)	(141)	(12)	(179)
Impairment Expense	(1,500)	(2,000)	-	(3,500)
Biological Asset Write Down of Wasabi Crop	-	-	(1,179)	(1,179)
Segment profit/(loss)	<u>(1,302)</u>	<u>(2,332)</u>	<u>(3,579)</u>	<u>(7,212)</u>
Loss before income tax expense				(7,212)
Income tax expense				-
<b>Loss after income tax expense</b>				<u><b>(7,212)</b></u>

	Dairy \$'000	Poultry \$'000	Corporate and Other \$'000	Total \$'000
<b>Total segment assets</b>				
<b>30 June 2021</b>				
Segment assets	23,424	26,990	4,709	55,123
<b>31 December 2020</b>				
Segment assets	24,116	25,098	7,931	57,145
<b>Total segment liabilities</b>				
<b>30 June 2021</b>				
Segment liabilities	5,212	10,957	1,104	17,274
<b>31 December 2020</b>				
Segment liabilities	5,109	11,061	1,732	17,903

**3. CASH AND CASH EQUIVALENTS**

	30 June 2021 \$'000	31 December 2020 \$'000
Cash and cash equivalents	<u>4,273</u>	<u>7,635</u>

**TasFoods Limited**

Notes to and Forming Part of the Financial Statements  
For the Half Year Ended 30 June 2021

**Reconciliation of cash and cash equivalents to the statement of cash flows**

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks, and short-term deposits at call, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the reporting period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	<b>30 June 2021 \$'000</b>	<b>31 December 2020 \$'000</b>
Cash and cash equivalents	4,273	7,635
Bank overdraft	(32)	(391)
	<u>4,241</u>	<u>7,245</u>

**4. BIOLOGICAL ASSETS**

	<b>Poultry \$'000</b>	<b>Goats \$'000</b>	<b>Wasabi Plants \$'000</b>	<b>Total \$'000</b>
Balance as at 1 January 2020	2,235	253	1,412	3,900
Increases due to purchases and production	2,144	-	13	2,157
Decreases due to sales/processing/mortality (i)	(2,235)	(48)	(99)	(2,382)
Movement in fair value as a result of physical and/or price changes (ii)	(107)	(38)	(1,154)	(1,300)
Balance as at 31 December 2020	<u>2,037</u>	<u>167</u>	<u>172</u>	<u>2,376</u>
Current	2,037	167	134	2,338
Non-current	-	-	38	38
	<u>2,037</u>	<u>167</u>	<u>172</u>	<u>2,376</u>
Balance as at 1 January 2021	2,037	167	172	2,376
Increases due to purchases and production	2,131	-	23	2,154
Decreases due to sales/processing/mortality (i)	(2,037)	(135)	(3)	(2,175)
Movement in fair value as a result of physical and/or price changes (ii)	266	(32)	(15)	219
Balance as at 30 June 2021	<u>2,397</u>	<u>-</u>	<u>177</u>	<u>2,575</u>
Current	2,397	-	146	2,543
Non-current	-	-	31	31
	<u>2,397</u>	<u>-</u>	<u>177</u>	<u>2,575</u>

- (i) Includes biological assets reclassified as inventory at the point of harvest and/or processing.
- (ii) Includes physical changes as a result of biological transformation such as growth, degeneration and procreation.

**TasFoods Limited**

Notes to and Forming Part of the Financial Statements  
For the Half Year Ended 30 June 2021

As at 30 June 2021, the Group held 550,930 live poultry (31 December 2020: 557,537), nil goats (31 December 2020: 575) and 5,731 mature wasabi plants and 3,768 immature wasabi plants (31 December 2020: 3,780 mature wasabi plants and 4,923 immature wasabi plants).

**Fair Value Measurement**

	31 December 2020			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Recurring fair value measurements				
- Poultry	-	2,037	-	2,037
- Goats	-	167	-	167
- Wasabi plants	-	-	172	172
Total biological assets recognised at fair value	-	2,204	172	2,376

	30 June 2021			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Recurring fair value measurements				
- Poultry	-	2,397	-	2,397
- Goats	-	-	-	-
- Wasabi plants	-	-	177	177
Total biological assets recognised at fair value	-	2,397	177	2,575

***Fair value measurements using significant unobservable inputs***

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

**Description**

Wasabi plant biological assets at fair value:

Unobservable inputs

Average yield per wasabi plant used in fair value measurement: 0.31 kilograms (31 December 2020: 0.36 kilograms)

Relationship of unobservable inputs to fair value

An increase/decrease in yield would result in a direct increase/decrease in the fair value

**TasFoods Limited**

Notes to and Forming Part of the Financial Statements

For the Half Year Ended 30 June 2021

**5. PROPERTY, PLANT AND EQUIPMENT****a-) Property, Plant and Equipment**

	Land and buildings \$'000	Plant and equipment \$'000	Office equipment \$'000	Motor vehicles \$'000	Capital work in progress \$'000	Total \$'000
At 31 December 2020						
Cost	14,273	15,484	233	810	539	31,339
Accumulated depreciation	(1,087)	(4,496)	(173)	(275)	-	(6,031)
Net carrying amount	13,186	10,987	60	535	539	25,308
Net carrying amount at the beginning of the half-year	13,186	10,987	60	535	539	25,308
Additions	25	320	15	62	1,285	1,709
Disposals and write-offs	-	-	-	-	-	-
Capitalisation to asset categories	-	-	-	-	-	-
Depreciation expense	(169)	(667)	(9)	(44)	-	(889)
Net carrying amount at the end of the half year	13,042	10,638	68	550	1,825	26,125
At 30 June 2021						
Cost	14,298	15,802	251	870	1,825	33,046
Accumulated depreciation	(1,256)	(5,164)	(182)	(320)	-	(6,921)
Net carrying amount	13,042	10,638	68	550	1,825	26,125

**b-) Right of Use Assets and Lease Liabilities****Right of Use Assets**

Recognised right of use assets relate to the following asset types:

	Land and buildings \$'000	Total \$'000
Net carrying amount at 31 December 2020	968	968
Additions	645	645
Depreciation expense	(94)	(94)
Net carrying amount at the end of the half year	1,519	1,519

**TasFoods Limited**

Notes to and Forming Part of the Financial Statements  
For the Half Year Ended 30 June 2021

**Lease Liabilities**

	<b>30 June 2021 \$'000</b>	<b>31 December 2020 \$'000</b>
Current	449	327
Non-Current	1,591	1,258
	<u>2,040</u>	<u>1,585</u>

**6. INTANGIBLE ASSETS**

	<b>Goodwill \$'000</b>	<b>Brands and trademarks \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
At 31 December 2020				
Cost	9,674	6,835	672	17,181
Accumulated impairment and amortisation	(5,767)	-	(461)	(6,228)
Net carrying amount	<u>3,907</u>	<u>6,835</u>	<u>211</u>	<u>10,953</u>
Net carrying amount at the beginning of the period				
	3,907	6,835	211	10,953
- Additions	-	-	110	110
- Amortisation during the period	-	-	(5)	(5)
Net carrying amount at the end of the half year	<u>3,907</u>	<u>6,835</u>	<u>317</u>	<u>11,059</u>
At 30 June 2021				
Cost	9,674	6,835	327	16,836
Accumulated impairment	(5,767)	-	-	(5,767)
Accumulated Amortisation	-	-	(11)	(11)
Net carrying amount at the end of the period	<u>3,907</u>	<u>6,835</u>	<u>317</u>	<u>11,059</u>

Goodwill and intangibles assessed as having an indefinite useful life are allocated to the Group's cash generating units (CGUs) as follows:

	<b>30 June 2021</b>				<b>31 December 2020</b>			
	<b>Goodwill \$'000</b>	<b>Brands and trademarks \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>	<b>Goodwill \$'000</b>	<b>Brands and trademarks \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
Dairy	2,770	3,925	6	6,701	2,770	3,925	10	6,705
Poultry	1,137	2,910	194	4,241	1,137	2,910	194	4,241
Corporate and Other	-	-	116	116	-	-	7	7
Total	<u>3,907</u>	<u>6,835</u>	<u>317</u>	<u>11,059</u>	<u>3,907</u>	<u>6,835</u>	<u>211</u>	<u>10,953</u>

Goodwill is carried at cost less accumulated impairment losses.

The Group has two cash generating units (CGUs) for which impairment testing is completed in accordance with AASB 136 Impairment of Assets. Goodwill is not amortised but is tested annually

**TasFoods Limited**

Notes to and Forming Part of the Financial Statements  
For the Half Year Ended 30 June 2021

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for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

As at 30 June 2020 the impact of COVID-19 on both the Company and Australian economy and the market capitalisation deficiency of the Company were considered by the Company as indicators of impairment, resulting in the completion of impairment testing as at 30 June 2020. Impairment testing completed identified impairment charges totalling \$3.5 million which were reported in the financial statements for the half-year ended 30 June 2020.

No impairment indicators were noted at 30 June 2021.

**7. BORROWINGS**

	<b>30 June 2021 \$'000</b>	<b>31 December 2020 \$'000</b>
<i>Current</i>		
Bank overdraft	32	391
Bank loan facilities	289	148
	<hr/> 321	<hr/> 539
<i>Non-Current</i>		
Bank bill facility	3,500	2,000
Bank loan facilities	1,580	3,278
	<hr/> 5,080	<hr/> 5,278
Total borrowings	<hr/> 5,401	<hr/> 5,817

In June 2021 upon maturity of a debt facility the Company renewed its finance facilities across the Group with Australia and New Zealand Banking Group Limited (ANZ). This renewal included restructuring and consolidating debt facilities to provide certainty and tenure through entering into a five-year fixed interest only facility for \$3.5 million and a \$1.0 million variable rate principal and interest loan over an eight-year term.

In April 2021, a planned step down in overdraft limits for Nichols Poultry Pty Ltd (from \$1.25 million to \$1.0 million) and Van Diemen's Land Dairy Pty Ltd (from \$1.0 million to \$0.5 million) was completed.

**TasFoods Limited**

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For the Half Year Ended 30 June 2021

**Contracted Financial Maturities of Financial Liabilities**

	Less than 12 months \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total contracted cash flows \$'000	Carrying Amount \$'000
<b>At 30 June 2021</b>					
<i>Non-derivatives</i>					
Trade payables	8,450	-	-	8,450	8,450
Bank overdraft	32	-	-	32	32
Bank bill facility	-	3,500	-	3,500	3,500
Bank loan facilities	289	1,445	135	1,869	1,869
	<u>8,771</u>	<u>4,945</u>	<u>135</u>	<u>13,852</u>	<u>13,852</u>
<b>At 31 December 2020</b>					
<i>Non-derivatives</i>					
Trade payables	9,175	-	-	9,175	9,175
Bank overdraft	391	-	-	391	391
Bank bill facility	-	2,000	-	2,000	2,000
Bank loan facilities	148	3,278	-	3,426	3,426
	<u>9,715</u>	<u>5,278</u>	<u>-</u>	<u>14,992</u>	<u>14,992</u>

**Financing Arrangements**

	30 June 2021		31 December 2020	
	Limit \$'000	Undrawn Balance \$'000	Limit \$'000	Undrawn Balance \$'000
Bank overdraft	1,500	1,468	2,250	1,859
Bank bill facility	3,500	-	2,000	-
Bank loan facilities	1,869	-	3,426	-
	<u>6,869</u>	<u>1,468</u>	<u>7,676</u>	<u>1,859</u>

**Secured liabilities and assets pledged as security**

The Group has a number of finance facilities with ANZ which were renewed during the reporting period. Available facilities include overdrafts, a bank bill and bank loan facilities which are secured by mortgage over the property and water rights owned by Nichols Poultry Pty Ltd and property owned by Van Diemen's Land Dairy Pty Ltd. The facilities are also secured by a general security agreement over the property of Nichols Poultry Pty Ltd and Van Diemen's Land Dairy Pty Ltd not otherwise secured.

## **TasFoods Limited**

Notes to and Forming Part of the Financial Statements

For the Half Year Ended 30 June 2021

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### **Debt Funding, Financial Covenants and Working Capital**

At 30 June 2021, the Group has current borrowing of \$0.321 million (including bank overdraft) and non-current borrowing of \$4.945 million.

The renewed financing arrangements with ANZ resulted in a change to the financial covenants applicable to the Company. Under the terms of the renewed financing arrangements the Group is required to comply with an annual interest cover ratio financial covenant (EBITDA/interest expense) which is required to be greater than 2.5:1. The first assessment date for the covenants is 31 December 2021 and the Company forecasts it will comply with the covenant requirement at this time. In undertaking this assessment, the Group considered the critical assumptions in relation to the forecast underlying EBITDA and interest expense position as well as the ability to repay current borrowings and meet its working capital requirements for a 12-month period from the date of signing the interim financial statements.

The Group's forecasted EBITDA is based on a combination of historic trends, engagement with key customers and internal demand analysis and includes judgement in relation to future pricing and demand for new products. The basis of the forecast EBITDA is consistent with the disclosure of underlying earnings in the prior year segment notes and management's interpretation of definitions for the covenant ratio. The Group also considered the forecast in relation to interest expense incurred to date. This forecast includes judgement in relation to the Group's ability to improve working capital, reduce levels of capital expenditure and other short term cash flow initiatives.

Based on the forecast the Directors believe the Group will meet its EBITDA forecast, cash flow forecasts, working capital and covenant requirements. As a result, the Directors have prepared the accounts on a going concern basis.

The Group's ability to repay current borrowing and meet its working capital requirements is based on a forecast EBITDA and cash flow requirements, which is based on meeting sales forecasts and margin. Based on the forecast the Directors believe the Group will meet its EBITDA and cash flow forecasts.

The Directors have prepared the accounts on a going concern basis and are confident the Group will meet its requirements to meet its obligation under its borrowing facilities and meet the working capital requirements over the forecast period.

**TasFoods Limited**

Notes to and Forming Part of the Financial Statements  
For the Half Year Ended 30 June 2021

**8. CONTRIBUTED EQUITY**

	Number of Shares		Share Capital	
	30 June 2021	31 December	30 June 2021	31 December
		2020		2020
			\$'000	\$'000
Ordinary shares - fully paid (no par value)	351,902,660	351,902,660	61,038	61,053
Total share capital			61,038	61,053

TasFoods Limited has issued share capital amounting to 351,902,660 ordinary shares of no par value.

Date	Details	Ordinary Shares	\$'000
1/01/2021	Balance at beginning of period	351,902,660	61,053
	Issue costs - net of tax		(14)
		351,902,660	61,038

Transaction costs arising on the issue of ordinary shares are recognised directly in equity at the time the expense is incurred.

**9. DIVIDENDS**

	Half-year	
	2021	2020
	\$'000	\$'000
<b>Fully paid ordinary shares</b>		
Dividends paid or provided for during the half-year	-	-

**10. SUBSIDIARIES**

	Country of Incorporation	Principal Activity	Equity Holding	
			30 June	31 December
			2021	2020
			%	%
Van Diemen's Land Dairy Pty Ltd	Australia	Dairy	100%	100%
Nichols Poultry Pty Ltd	Australia	Poultry	100%	100%
Shima Wasabi Pty Ltd	Australia	Wasabi	100%	100%
Tasmanian Food Co Dairy Pty Ltd	Australia	Dairy	100%	100%

**11. EVENTS OCCURRING AFTER REPORTING DATE**

The Directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

In the Directors' opinion:

- a) The financial statements and notes set out on pages 5 to 19 are in accordance with the *Corporations Act 2001*, including:
  - i. Complying with Accounting Standards, the *Corporations Regulations 2001* and other professional mandatory reporting requirements; and
  - ii. Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half year ended on that date; and
- b) There are reasonable grounds to believe that TasFoods Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



**Craig Treasure**  
Non-Executive Chair

27 August 2021  
Launceston



## **Independent auditor's review report to the members of TasFoods Limited**

### ***Report on the half-year financial report***

#### ***Conclusion***

We have reviewed the half-year financial report of TasFoods Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

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

1. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

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

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Liability limited by a scheme approved under Professional Standards Legislation.



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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*Brad Peake*

Brad Peake  
Partner

Melbourne  
27 August 2021

**Board of Directors**

Craig Treasure	Non-Executive Chair
Jane Bennett	Managing Director and CEO
Ben Swain	Non-Executive Director
John Murphy	Non-Executive Director
John O’Hara	Non-Executive Director

**Company Secretary**

Marta Button

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Facsimile: + 61 2 9287 0303

**Auditor**

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2 Riverside Quay, Southbank Boulevard  
Southbank Victoria 3006 AUSTRALIA

**Solicitors**

HWL Ebsworth Lawyers  
Level 26, 530 Collins Street  
Melbourne VIC 3000, Australia

Groom Kennedy Lawyers and Advisors  
Level 1, 47 Sandy Bay Road  
Hobart TAS 7000, Australia

**Bankers**

Australia and New Zealand Banking Group  
Bendigo and Adelaide Bank

**Stock Exchange Listing**

TasFoods Limited shares are listed on the Australian Securities Exchange, code TFL