McPherson's Limited
ABN: 98 004 068 419

Half year ended 31 December 2021

Results for announcement to the market

				$'000
Sales revenue	up	6.9%	to	**108,804**
Profit before tax excluding material items	down	4.6%	to	**6,655**
Profit after tax excluding material items	down	0.5%	to	**4,443**
Loss before tax[1]	down	307.0%	to	**(2,977)**
Loss after tax[1]	down	304.1%	to	**(2,144)**
Loss after tax attributable to members	down	304.1%	to	**(2,144)**

[1]Including material items in the current financial year results (refer to Note 2).

Dividends	**Amount per security**	**Franked amount per security**
Interim ordinary dividend	**3.0¢**	**3.0¢**
Previous corresponding period – ordinary dividend	3.5¢	3.5¢

Other Information	**December 2021 $**	**June 2021 $**
Net tangible asset per ordinary share	**0.17**	0.19

Payment date for interim ordinary dividend	**18 March 2022**
Record date for determining entitlements to interim ordinary dividend	**1 March 2022**

McPherson's Limited
Directors' Report
For the half year ended 31 December 2021

The Board of Directors presents the following report on the consolidated entity (referred to hereafter as the Group) consisting of McPherson's Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2021.

(a) Directors

The following persons were Directors of McPherson's Limited during or since the half year period to the date of this report:

A. Mervis	• Appointed as Chairman on 21 July 2021 • Appointed as member of the Audit Committee and the People and Culture Committee on 21 February 2022
G.A. Cubbin	• Resigned as Chairman on 21 July 2021 • Resigned as a Non-Executive Director on 21 February 2022
G.W. Peck	• Chief Executive Officer and Managing Director
J.M. McKellar	• Chair of the People and Culture Committee • Resigned as member of the Audit, Risk Management and Compliance Committee on 21 February 2022 • Appointed as member of the Risk and Compliance Committee on 21 February 2022
A.J. Cook	• Appointed as member and Chair of Audit, Risk Management and Compliance Committee on 19 January 2021 • Resigned as Chair of the Audit, Risk Management and Compliance Committee on 21 February 2022 • Appointed as Chair of the Risk and Compliance Committee on 21 February 2022
G.R. Pearce	
H. Thornton	• Appointed as Non-Executive Director on 20 December 2021 • Appointed as Chair of the Audit Committee and member of the Risk and Compliance Committee on 21 February 2022

(b) Principal activities

McPherson's, established in 1860, is a leading supplier of Health, Wellness and Beauty products with operations in Australia, New Zealand and Asia. McPherson's markets and distributes beauty care, hair care, skin care, vitamins, supplements and personal care items such as facial wipes, cotton pads and foot comfort products, as well as a range of kitchen essentials such as baking paper, cling wrap and aluminium foil.

McPherson's revenue is primarily derived from its diversified portfolio of owned market-leading brands, including Dr. LeWinn's, A'kin, Manicare, Lady Jayne, Swisspers, Multix, Fusion Health, Oriental Botanicals, Moosehead and Maseur. McPherson's also manages a small number of brands for agency partners.

Manufacturing is outsourced to various suppliers, predominantly in Asia and Australia. McPherson's maintains a strong presence in Hong Kong and mainland China, focused on product sourcing and quality assurance.

(c) Review of operations

Total sales revenue of $108.8 million was 7% above 1H21 ($101.7 million). Domestic organic sales growth of 11% was achieved, driven by double digit growth in Manicare, Lady Jayne and Swisspers, despite the challenges presented by COVID-19, which illustrates the growth potential of the business.

Underlying profit before tax for the half year was $6.7 million (1H21: $7.0 million), excluding material items disclosed in note 2, within the guidance range provided in November 2021.

Statutory loss before tax, inclusive of material items, for the half year was ($3.0) million (1H21 statutory profit before tax: $1.4 million).

McPherson's Limited
Directors' Report (continued)
For the half year ended 31 December 2021

(c) Review of operations (continued)

1H22 Commercial Business Unit (CBU) Performance

Australian and New Zealand - Beauty and Household Consumables (ANZ CBU)

Underlying results	**1H22 ($m)**	**1H21 ($m)**	**Change ($m)**	**Change (%)**
Sales revenue	96.7	92.6	4.1	4%
Underlying EBIT	10.8	11.3	(0.5)	(4%)

Over 1H22, the ANZ CBU achieved market share growth in 4 of the 6 owned brand product categories in which it operates. Following substantial growth achieved in FY21, and under renewed leadership, the CBU generated further growth in its **essential beauty** category in 1H22 where sales grew 18% to $38.3 million, driven by 25% growth in Swisspers, 19% growth in Manicare and 10% growth in sales of Lady Jayne products. New product innovations and a shift toward home-based beauty solutions continue to result in improved demand for the Company's core essential beauty products.

Domestic sales of Dr. LeWinn's and A'kin products grew 3% and 17% respectively, with A'kin benefiting from incremental ranging in the grocery channel in comparison with 1H21.These growth rates were achieved despite the recent COVID-19 enforced lockdowns, weakening demand in the broader cosmeceutical and natural skincare categories, demonstrating McPherson's market outperformance. Further, this growth was achieved in the context of the absence of international students and tourists which has led to reduced daigou demand in these categories. The Group's domestic sales of **skincare, haircare and bodycare brands** increased 6% to $12.9 million, despite broader category declines.

McPherson's **household essentials** category is dominated by Multix, which is the market leader in many sub-categories of bags, wraps and foils in the grocery channel. Multix sales increased by 5% in 1H22 to $27.9 million, with strong demand for Multix Alfoil products, garbage bags and baking papers.

Margins in the ANZ CBU were supported by the mix swing to essential beauty. However, overall contribution margin was adversely impacted by higher commodity and sea freight costs over 1H22, particularly impacting the Multix and Swisspers brands. Total operating expenses increased 4%, primarily due to increases in carton freight and advertising expenses. Consequently, ANZ underlying EBIT declined 4% to $10.8m.

In response to the significant cost inflation noted above, material selling price increases have been agreed with key retailers in the household essentials category with implementation commencing this month.

Health

Underlying results	**1H22 ($m)**	**1H21 ($m)**	**Change ($m)**	**Change (%)**
Sales revenue	8.4	1.3	7.1	NCM[1]
Underlying EBIT	1.3	0.2	1.1	NCM

The newly formed Health CBU comprises the premium Fusion Health and Oriental Botanicals brands. The 1H22 performance for Health was impacted by difficult trading conditions on the eastern seaboard with many health stores and pharmacies experiencing reduced foot traffic during COVID-19 lockdowns, particularly in Q1. Additionally, some raw material shortages and supply chain instability impacted core product inventory positions.

Contribution and EBIT margins were, however, in-line with expectations for 1H22, representing a strong performance given the difficult circumstances.

[1] NCM – Not considered meaningful due to 1H21 results being applicable to 1 month of trading due to acquisition on 30 November 2020.

McPherson's Limited
Directors' Report (continued)
For the half year ended 31 December 2021

(c) Review of operations (continued)

International

Underlying results	1H22 ($m)	1H21 ($m)	Change ($m)	Change (%)
Sales revenue	3.7	7.8	(4.1)	(53%)
Underlying LBIT	(1.1)	(0.5)	(0.6)	(120%)

Consistent with the Company's ASX release on 1 November 2021, sales of Dr. LeWinn's product to China of $1.0 million in 1H22 were $3.4 million below 1H21 ($4.4 million) as cross-border e-commerce distribution into China remains constrained by excess inventory and reduced consumer demand.

1H22 sales into Singapore and surrounding countries declined to $1.9 million (1H21: $2.2 million) as significantly reduced in-bound tourism adversely impacted retail trade.

The resulting decline in 1H22 contribution from the International CBU was partially offset by a significant reduction in expenditure on advertising and promotion.

On 1 November 2021, the Board announced a prudent, one-off provision in the range of $8 million to $10 million in relation to excess Dr. LeWinn's inventory (and associated costs) that was acquired in 2019 and 2020 specifically to satisfy anticipated demand from China. A detailed review has subsequently been undertaken with a material one-off provision of $9.4 million reflected in the 1H22 financial statements.

Cash flow and balance sheet

The 1H22 underlying cash conversion rate was seasonally low at 48% (1H21: 67%), given planned inventory increases ahead of Chinese New Year shutdowns and seasonally high Q2 sales. Despite this, net debt, excluding lease liabilities, remains low at $8.8 million and the Company's gearing ratio (net bank debt excluding lease liabilities / total funds employed) was 7% at 31 December 2021 (31 December 2020: 3%).

The cash conversion rate is forecast to improve significantly in 2H22 in-line with seasonal trends and ongoing pro-active management, leading to further reduction in net bank debt.

Operational Review update

The Operational Review undertaken in 2H21 to capitalise on opportunities in the Health, Wellness and Beauty category and deliver shareholder value, focused on four key strategic pillars:

- Continued focus on core owned brands and key domestic channels
- Establish health & wellness as a new growth platform
- Expand international footprint
- Recalibrate cost base

The following actions have been taken to progress these outcomes during 1H22.

1. *Operating model for Dr. LeWinn's in Greater China*

   Sales of Dr. LeWinn's product to China were significantly below expectations in 1H22, with cross-border e-commerce (CBEC) distribution into China likely to remain challenging over at least the next 12 months. With the unanticipated consequences created by the pandemic, the originally planned staged JV arrangements with Access Brands Management (ABM) have not been completed. ABM has been advised of McPherson's intention, to address the broader CBEC channel and that this will involve engaging with alternate providers in both distribution and marketing support.

McPherson's Limited
Directors' Report (continued)
For the half year ended 31 December 2021

(c) Review of operations (continued)

2. Completion of CBU Management and Reporting structure

The Company has embedded a new management and reporting structure to support and drive individual CBU responsibility for revenue and profit targets, marketing, customer relationships and commercial delivery.

3. Cost reduction initiatives

Management is well progressed in realising annualised cost reductions of at least $3 million. In addition to the leaner Senior Leadership Team, these cost reductions comprise the exit from loss making joint ventures and reduced warehousing costs.

(d) Dividends

The Directors have recommended that an interim ordinary dividend (fully franked) of 3.0 cents per share to be paid on 18 March 2022. These dividends were declared subsequent to the end of the half year period and therefore have not been recognised as a liability at 31 December 2021. Given the Group's low level of bank debt ($8.8 million at 31 December 2021), the dividend reinvestment plan remains suspended.

(e) Events subsequent to balance date

There has not arisen in the interval between the end of the half year and the date of this report, any item, transaction or event, of a material and unusual nature likely to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

(f) Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that instrument, all financial information in this Directors' Report and the Financial Report have been rounded to the nearest thousand dollars unless otherwise stated.

(g) 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 6.

Signed in accordance with a resolution of the Directors:

A. Mervis
Chairman
23 February 2022

G. Peck
Managing Director
23 February 2022

Auditor's Independence Declaration

As lead auditor for the review of McPherson's Limited for the half-year ended 31 December 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 McPherson's Limited and the entities it controlled during the period.

P.J. Carney

Paddy Carney
Partner
PricewaterhouseCoopers

Sydney
23 February 2022

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McPherson's Limited
Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2021

	Note	**Half Year December 2021 $'000**	Restated * Half Year December 2020 $'000
Revenue			
Sales revenue		**108,804**	**101,739**
Other income		**60**	**239**
Total revenue and other income		**108,864**	**101,978**
Expenses			
Materials and consumables		**(66,735)**	**(59,958)**
Employee costs		**(19,695)**	**(19,041)**
Advertising and promotions		**(10,802)**	**(9,926)**
Cartage and freight		**(3,427)**	**(2,688)**
Third party warehousing		**(1,039)**	**(1,281)**
Rental expenses		**(265)**	**(94)**
Depreciation		**(2,477)**	**(2,253)**
Amortisation		**(324)**	**(399)**
Release of contingent consideration		**-**	**1,528**
Other expenses		**(6,356)**	**(5,408)**
Operating profit or (loss) before net finance costs and income tax		**(2,256)**	**2,458**
Interest income		**30**	**134**
Borrowing costs		**(578)**	**(658)**
Net finance costs		**(548)**	**(524)**
Share of net profit or (loss) of joint ventures accounted for using the equity method		**(173)**	**(496)**
Profit / (Loss) before income tax		**(2,977)**	**1,438**
Income tax benefit / (expense)	6	**833**	**(387)**
Profit / (Loss) after tax		**(2,144)**	**1,051**

* Refer to note 1(b)

The above consolidated statement of comprehensive income should be read in conjunction with the following notes.

McPherson's Limited
Consolidated Statement of Comprehensive Income (continued)
For the half year ended 31 December 2021

	Note	Half Year December 2021 $'000	Restated* Half Year December 2020 $'000
Profit / (Loss) after tax		**(2,144)**	**1,051**
Other comprehensive income / (expense)			
Items that may be reclassified to profit or loss			
Changes in fair value of cash flow hedges		**1,270**	**(4,067)**
Exchange differences on translation of foreign operations		**123**	**(141)**
Income tax benefit / (expense) relating to these items		**(380)**	**1,204**
Items that will not be reclassified to profit or loss			
Changes in fair value of equity instruments at fair value through other comprehensive income	3	**-**	**(4,000)**
Other comprehensive income / (expense)		**1,013**	**(7,004)**
Total comprehensive income / (expense)		**(1,131)**	**(5,953)**

	Note	Cents	Cents
Basic earnings / (loss) per share	12	**(1.7)**	**0.9**
Diluted earnings / (loss) per share	12	**(1.7)**	**0.9**

* Refer to note 1(b)

The above consolidated statement of comprehensive income should be read in conjunction with the following notes.

McPherson's Limited
Consolidated Balance Sheet
As at 31 December 2021

	Note	31 December 2021 $'000	Restated * 30 June 2021 $'000
Current assets			
Cash and cash equivalents		**9,991**	7,354
Trade and other receivables		**38,339**	37,625
Inventories	7	**44,842**	48,100
Derivative financial instruments	3	**939**	16
Current tax asset		**791**	1,080
Total current assets		**94,902**	94,175
Non-current assets			
Property, plant and equipment		**6,265**	6,439
Right-of-use assets	8	**13,679**	3,456
Intangible assets	9	**89,863**	90,068
Deferred tax assets		**287**	275
Investment in joint ventures		**-**	111
Total non-current assets		**110,094**	100,349
Total assets		**204,996**	194,524
Current liabilities			
Trade and other payables		**42,293**	42,043
Lease liabilities	8	**3,828**	4,360
Provisions		**7,592**	6,953
Derivative financial instruments	3	**651**	992
Current tax liabilities		**32**	48
Total current liabilities		**54,396**	54,396
Non-current liabilities			
Borrowings	10	**18,830**	15,773
Lease liabilities	8	**11,335**	796
Provisions		**867**	881
Deferred tax liabilities		**7,869**	8,035
Derivative financial instruments	3	**14**	20
Total non-current liabilities		**38,915**	25,505
Total liabilities		**93,311**	79,901
Net assets		**111,685**	114,623
Equity			
Contributed equity	11	**206,640**	206,363
Reserves		**56**	(803)
Accumulated losses		**(95,011)**	(90,937)
Total equity		**111,685**	114,623

* Refer to note 1(b)

The above consolidated balance sheet should be read in conjunction with the following notes.

McPherson's Limited
Consolidated Statement of Changes in Equity
For the half year ended 31 December 2021

	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Restated* balance at 30 June 2021	**206,363**	**(803)**	**(90,937)**	**114,623**
Profit for the half year	-	-	(2,144)	(2,144)
Other comprehensive income / (expense)	-	1,013	-	1,013
Total comprehensive income / (expense)	**-**	1,013	(2,144)	**(1,131)**
Transactions with shareholders				
Shares issued, net of transaction costs and tax	277	(277)	-	-
Dividends provided for or paid	-	-	(1,930)	(1,930)
Share-based payment transactions with employees	-	123	-	123
Total transactions with shareholders	**277**	**(154)**	**(1,930)**	**(1,807)**
Balance at 31 December 2021	**206,640**	**56**	**(95,011)**	**111,685**

* Refer to note 1(b)

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

McPherson's Limited
Consolidated Statement of Changes in Equity (continued)
For the half year ended 31 December 2021

	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 30 June 2020	**159,444**	**4,342**	**(73,557)**	**90,229**
Restated profit for the half year*	-	-	1,051	1,051
Other comprehensive income / (expense)	-	(7,004)	-	(7,004)
Total comprehensive income / (expense)	**-**	**(7,004)**	**1,051**	**(5,953)**
Transactions with shareholders				
Shares issued, net of transaction costs and tax	46,944	-	-	46,944
Dividends provided for or paid	-	-	(7,515)	(7,515)
Share-based payment transactions with employees	-	246	-	246
Total transactions with shareholders	**46,944**	**246**	**(7,515)**	**39,675**
Restated balance at 31 December 2020*	**206,388**	**(2,416)**	**(80,021)**	**123,951**

* Refer to note 1(b)

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

McPherson's Limited
Consolidated Statement of Cash Flows
For the half year ended 31 December 2021

	Note	Half Year December 2021 $'000	Half Year December 2020 $'000
Cash flows from operating activities			
Receipts from customers inclusive of GST		**119,197**	121,867
Payments to suppliers and employees inclusive of GST		**(115,059)**	(118,725)
Interest received		**1**	1
Interest and borrowing costs paid		**(393)**	(548)
Income tax refund received / (paid)		**556**	(3,330)
Net cash inflows / (outflows) from operating activities		**4,302**	(735)
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		**(952)**	(856)
Payments for purchase of intangible assets		**(75)**	(136)
Loan to joint ventures		**-**	(379)
Payments for acquisition of Global Therapeutics		**-**	(29,401)
Net cash (outflows) from investing activities		**(1,027)**	(30,772)
Cash flows from financing activities			
Proceeds from borrowings		**20,557**	61,007
Repayment of borrowings		**(17,500)**	(62,666)
Proceeds from issues of shares		**-**	45,912
Share issue transaction costs net of tax		**-**	(920)
Repayment of leases		**(1,805)**	(2,116)
Dividends paid		**(1,930)**	(5,809)
Net cash inflows / (outflows) from financing activities		**(678)**	35,408
Net increase / (decrease) in cash held		**2,597**	3,901
Cash at beginning of the half year		**7,354**	7,149
Effects of exchange rate changes on cash		**40**	(119)
Cash and cash equivalents at end of the half year		**9,991**	10,931

The above consolidated statement of cash flows should be read in conjunction with the following notes.

McPherson's Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2021

1. Significant Accounting Policies

McPherson's Limited is a company domiciled in Australia. The consolidated interim financial report for the half year period ended 31 December 2021 comprises McPherson's Limited and the entities it controlled at the end of, or during, the half year period (the "Group").

(a) Basis of Preparation

This interim financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for-profit entity for the purpose of preparing the interim financial statements. The report is presented in Australian dollars.

This interim financial report does not include all the notes included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the Annual Report for the year ended 30 June 2021 and the announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period, except for the changes in accounting policies and the adoption of new and amended standards set out hereafter.

The interim financial report has been prepared on the basis of historical cost, except where assets and liabilities are stated at their fair values in accordance with relevant accounting policies.

New and amended standards adopted by the Group

The group has elected to adopt the following amendments early:

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments, and
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

McPherson's Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2021

1. Significant Accounting Policies (continued)

(b) Correction of an error

In April 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision titled Configuration or customisation costs in a cloud computing arrangement. The decision discusses whether configuration or customisation expenditure relating to cloud computing arrangements is able to be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Group's accounting policy has historically been to capitalise all costs related to cloud computing arrangements as intangible assets in the Consolidated Balance Sheet. The adoption of this IFRIC agenda decision results in a reclassification of these intangible assets to either a prepaid asset in the Consolidated Balance Sheet and/or recognition as an expense in the Consolidated Statement of Comprehensive Income, impacting both the current and prior periods presented.

The Group's preliminary assessment at 30 June 2021 indicated that the impact of this IFRIC agenda decision was not material, and therefore the Group had not adopted this IFRIC agenda decision in the year ended 30 June 2021.

The Group finalised its assessment in FY22 and restated the 30 June 2021 financial statements as follows:

Consolidated statement of financial position (extract)	30 June 2021 $'000	Increase / (Decrease) $'000	Restated 30 June 2021 $'000
Intangible assets	90,540	(472)	90,068
Deferred tax liabilities	(8,176)	141	(8,035)
Net Assets	114,954	(331)	114,623
Accumulated losses	(90,606)	(331)	(90,937)
Total equity	114,954	(331)	114,623

Consolidated statement of comprehensive income (extract)	Half year December 2020 $'000	Increase / (Decrease) $'000	Restated Half year December 2020 $'000
Amortisation	(237)	(162)	(399)
Operating profit before net finance costs and income tax	2,620	(162)	2,458
Profit before income tax	1,600	(162)	1,438
Income tax expense	(436)	49	(387)
Profit after tax	1,164	(113)	1,051
Other comprehensive income / (expense)	(7,004)	-	(7,004)
Total comprehensive income / (expense)	(5,840)	(113)	(5,953)

Earnings per share (extract)	Half year December 2020 Cents	Increase / (Decrease) Cents	Restated Half year December 2020 Cents
Basic earnings per share	1.0	(0.1)	0.9
Diluted earnings per share	1.0	(0.1)	0.9

The correction further affected some of the amounts disclosed in note 6 Income Tax and note 9 Intangible Assets.

McPherson's Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2021

1. Significant Accounting Policies (continued)

(c) Significant Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates. The estimates and associated assumptions are reviewed on an ongoing basis.

The areas involving a higher degree of judgement or complexity, where assumptions and estimates are significant are discussed below:

Estimated recoverable amount of goodwill and indefinite lived brand names

The Group tests goodwill and indefinite lived brand names annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. In calculating the recoverable amount of these assets, the use of key assumptions is required.

Provision for stock obsolescence

Inventories are valued at the lower of cost and net realisable value. Estimates are required to be made in relation to the recoverable amount of inventory based on projected sales volumes and sell prices.

(d) Reclassification

Certain comparative amounts have been reclassified to conform with the current period classification to better reflect the nature of the financial position and performance of the Group.

McPherson's Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2021

2. Material Items

The Group's loss after income tax includes the following items that are material because of their nature or size:

		Half Year December 2021 $'000	Half Year December 2020 $'000
(a)	Dr. LeWinn's inventory provision	**(9,435)**	-
	Less applicable income tax benefit	**2,830**	-
		(6,605)	-
(b)	Restructuring expenses	**(379)**	-
	Less applicable income tax benefit	**189**	-
		(190)	-
(c)	Regulatory review expenses	**(260)**	-
	Less applicable income tax benefit	**78**	-
		(182)	-
(d)	Net effect from the exit of the Kotia joint venture	**442**	-
	Less applicable income tax expense	**(53)**	-
		389	-
(e)	Inventory provision for OzGuard hand sanitisers	**-**	(6,143)
	Less applicable income tax benefit	**-**	1,843
		-	(4,300)
(f)	Cash salary & fee package for the resignation of the Managing Director	**-**	(690)
	Less applicable income tax benefit	**-**	207
		-	(483)
(g)	Acquisition costs in relation to the Global Therapeutics business	**-**	(231)
	Less applicable income tax benefit	**-**	69
		-	(162)
(h)	Release of contingent consideration for the My Kart joint venture	**-**	1,528
	Less applicable income tax expense	**-**	-
		-	1,528
	Total material items before income tax	**(9,632)**	**(5,536)**
	Less applicable income tax benefits	3,044	2,119
	Total material items after income tax	**(6,588)**	**(3,417)**

McPherson's Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2021

3. Fair Value Measurement of Financial Instruments

The Group holds the following financial instruments, which are measured and recognised at fair value at 31 December 2021 and 30 June 2021 on a recurring basis:

	31 December 2021				30 June 2021			
Recurring fair value measurements	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value								
Derivative financial instruments	**-**	**939**	**-**	**939**	-	16	-	16
Total financial assets at fair value	**-**	**939**	**-**	**939**	**-**	16	-	16

	31 December 2021				30 June 2021			
Recurring fair value measurements	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities at fair value								
Derivative financial instruments	**-**	**(665)**	**-**	**(665)**	-	(1,012)	-	(1,012)
Total financial liabilities at fair value	**-**	**(665)**	**-**	**(665)**	**-**	(1,012)	-	(1,012)

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The group holds level 2 instruments as at 31 December 2021.

Level 2 instruments
The fair value of the derivative financial instruments is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. The fair value of forward exchange and option contracts is determined using forward exchange market rates at the end of the reporting period.

McPherson's Limited
Notes to the Consolidated Financial Statements
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4. Segment Information

Historically, segment information reported to the Group's Chief Operating Decision Maker (CEO & Managing Director) was presented by geographic locations (Australia, New Zealand, Rest of the World) for the purpose of resource allocation and assessment of segment performance.

Subsequent to the Operational Review initiatives, the Group established three Commercial Business Units (CBU) in order to drive focused accountability and profitability:

- Australia and New Zealand CBU;
- Health CBU; and
- International CBU.

In the half year ended 31 December 2021, the Group's financial information reported to Group's Chief Operating Decision Maker was presented by CBU, therefore management determined that the reportable segments under AASB 8 are Australia and New Zealand, Health and International.

Segment revenues
Revenues of approximately $54,850,000 (2021: $49,913,000) were derived from three (2021: three) external customers, which individually amount to 10% or more of the Group's revenue. These revenues were attributable to the Australia and New Zealand reportable segment.

McPherson's Limited
Notes to the Consolidated Financial Statements
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4. Segment Information (continued)

Segment assets
Segment assets are allocated based on the assets location. Assets arising from transactions between segments are eliminated on consolidation.

	Australia and New Zealand $'000	Health $'000	International $'000	Corporate $'000	Consolidated $'000
31 December 2021					
Sales to external customers	**96,679**	**8,387**	**3,738**	**-**	**108,804**
Inter-segment sales	411	-	-	(411)	-
Total sales revenue	**97,090**	**8,387**	**3,738**	**(411)**	**108,804**
Other income	53	-	7	-	60
Total segment revenue and other income (excluding interest)	**97,143**	**8,387**	**3,745**	**(411)**	**108,864**
EBITDA / (LBITDA) before material items	13,406	1,286	(901)	(3,787)	10,004
Depreciation and amortisation expense	(2,606)	(31)	(164)	-	(2,801)
Segment EBIT / (LBIT) before material items	**10,800**	**1,255**	**(1,065)**	**(3,787)**	**7,203**
Material items before tax and borrowing costs	(379)	-	(9,435)	182	(9,632)
Segment EBIT / LBIT including material items	**10,421**	**1,255**	**(10,500)**	**(3,605)**	**(2,429)**
Borrowing costs					(548)
Loss before income tax					**(2,977)**
Income tax benefit					833
Loss after income tax					**(2,144)**

McPherson's Limited
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4. Segment Information (continued)

	Australia and New Zealand $'000	Health $'000	International $'000	Corporate $'000	Consolidated $'000
Restated 31 December 2020					
Sales to external customers	**92,620**	**1,329**	**7,790**	**-**	**101,739**
Inter-segment sales	398	-	-	(398)	-
Total sales revenue	**93,018**	**1,329**	**7,790**	**(398)**	**101,739**
Other income	154	-	85	-	239
Total segment revenue and other income (excluding interest)	**93,172**	**1,329**	**7,875**	**(398)**	**101,978**
EBITDA before material items	13,744	208	(276)	(3,526)	10,150
Depreciation and amortisation expense	(2,458)	(8)	(186)	-	(2,652)
Segment EBIT before material items	**11,286**	**200**	**(462)**	**(3,526)**	**7,498**
Material items before tax and borrowing costs	(6,143)	-	-	607	(5,536)
Segment EBIT including material items	**5,143**	**200**	**(462)**	**(2,919)**	**1,962**
Borrowing costs					(524)
Profit before income tax					**1,438**
Income tax expense					(387)
Profit after income tax					**1,051**

McPherson's Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2021

5. Dividends

Details of dividends declared or paid during or subsequent to the half year ended 31 December 2021 are as follows:

	Half Year December 2021 $'000	Half Year December 2020 $'000
Ordinary Final 30 June 2021 dividend of 1.5 cents per fully paid share (2020: 7.0 cents per fully paid share) fully franked at 30%	**1,930**	7,515
Dividends not recognised at the end of the half year Since the end of the half year, the Directors have declared a fully franked interim ordinary dividend of 3.0 cents per fully paid share (2021: 3.5 cents per fully paid share). The aggregate amount of the dividends to be paid on 18 March 2022 but not recognised as a liability at half year end is:	**3,859**	4,494
Franked Dividends Franked dividends paid after 31 December 2021 will be franked out of existing franking credits. Franking credits available for subsequent reporting periods based on a tax rate of 30% amount to:	**20,799**	23,869

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the reporting period.

Dividend Reinvestment Plan (DRP)
The Company will not be offering a DRP for the interim ordinary dividend in relation to the half year ended 31 December 2021.

6. Income Tax

	Half Year December 2021 $'000	Restated Half Year December 2020 $'000
Profit / (loss) before tax	**(2,977)**	1,438
Prima facie income tax at 30%	**(893)**	431
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Tax rate differences in overseas entities	**(8)**	(111)
Share of net loss of joint ventures	**52**	148
Share-based payments expense	**14**	127
New Zealand tax losses not recognised	**27**	-
Release of contingent consideration	**-**	(458)
Under / (Over) provision in prior periods	**16**	195
Other	**(41)**	55
Income tax expense / (benefit)	**(833)**	387

McPherson's Limited
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7. Inventories

	31 December 2021 $'000	30 June 2021 $'000
Raw materials	**6,194**	5,575
Finished goods	**54,950**	50,693
Total inventories	**61,144**	56,268
Provision for inventory obsolescence	**(16,302)**	(8,168)
Total inventories, net of obsolescence provision	**44,842**	48,100

The increase in inventory provision is mainly due to incremental Dr. LeWinn's excess stock, disclosed in note 2, which is primarily driven by the latest sales forecast with our customer ABM. The inventory provision expense for 1H22 is $10.5 million (1H21: $7.3 million) and is captured in the materials and consumables expenses of the consolidated statement of comprehensive income.

8. Leases

	31 December 2021 $'000	30 June 2021 $'000
Right-of-use assets		
Buildings	**12,549**	2,332
Equipment and Vehicles	**1,130**	1,124
Total right-of-use assets	**13,679**	3,456
Lease liabilities		
Current		
Buildings	**3,225**	3,825
Equipment and Vehicles	**603**	535
Total current lease liabilities	**3,828**	4,360
Non-current		
Buildings	**10,812**	192
Equipment and Vehicles	**523**	604
Total non-current lease liabilities	**11,335**	796
Total lease liabilities	**15,163**	5,155

The increase in right of use assets and lease liabilities related to buildings is primarily driven by the renewal of the Kingsgrove warehouse and office lease for a 5 year term ending 22 June 2027.

McPherson's Limited
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For the half year ended 31 December 2021

9. Intangible Assets

	31 December 2021 $'000	Restated 30 June 2021 $'000
Goodwill	**33,597**	33,552
Brand names	**53,738**	53,713
Customer relationships	**2,334**	2,503
Other intangibles	8,289	8,200
Accumulated amortisation	(8,095)	(7,900)
Total other intangibles	**194**	300
Total intangibles	**89,863**	90,068

Reconciliations
Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the half year are set out below:

	Goodwill $'000	Brand names $'000	Customer relationships $'000	Other intangibles $'000	Total $'000
Restated carrying amount at 1 July 2021	**33,552**	**53,713**	**2,503**	**300**	**90,068**
Additions	-	25	-	57	82
Amortisation charge	-	-	(169)	(163)	(332)
Foreign currency exchange differences	45	-	-	-	45
Carrying amount at 31 December 2021	**33,597**	**53,738**	**2,334**	**194**	**89,863**

Acquired brand names are not amortised under AASB 138 Intangible Assets as Directors consider these to have an indefinite life. These brand names are subject to regular impairment tests.

McPherson's Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2021

9. Intangible Assets (continued)

Impairment testing

Goodwill
In prior period, the Group's goodwill was allocated to the Australian cash generating unit (CGU).

As disclosed in note 4, the Group determined in the half year ended 31 December 2021 that its reportable segments are Australia and New Zealand, Health and International. However, AASB 136 *Impairment of Assets* requires that a CGU cannot be larger than an operating segment, and therefore, the Group assessed that it includes three CGUs (Australia and New Zealand, Health and International), and allocated goodwill to the following CGUs:

	31 December 2021 $'000	30 June 2021 $'000
FY21 CGU		
Australia	**n/a**	33,552
FY22 CGU		
Australia and New Zealand (ANZ)	**15,710**	n/a
Health	**17,887**	n/a
Total	**33,597**	**33,552**

The recoverable amount of a CGU is determined based on a value-in-use calculation. The value-in-use calculation includes cash flow projections based on the Board approved 2022 forecast covering a one year period. Cash flows beyond the year one period are extrapolated using estimated growth rates from the Board approved Group's five-year plan. In performing the value-in-use calculations for the CGU, the Group has applied a post-tax discount rate to discount the forecast attributable post-tax cash flows.

The assumptions used in the value-in-use calculation of the CGUs are set out below:

	31 December 2021				**30 June 2021**			
CGUs	**EBIT growth rates**	**Terminal growth rate**	**Post-Tax discount rate**	**Pre-Tax discount rate**	**EBIT growth rates Year 2 Onwards**	**Terminal growth rate**	**Post-Tax discount rate**	**Pre-Tax discount rate**
Australia	n/a	n/a	n/a	n/a	2.0%	2.0%	10.0%	13.7%
ANZ	8.0% - 25.0%	2.0%	10.0%	13.7%	n/a	n/a	n/a	n/a
Health	5.0% - 11.0%	2.0%	10.0%	13.7%	n/a	n/a	n/a	n/a

Impact of possible changes in key assumptions
If the year one projected EBIT were 5.0% below the current estimates used in the value-in-use calculation, no impairment charge would arise.

If the annual growth rates of years 2 to 5 in the value-in-use calculation were to be 1.0% lower than management's estimates, no impairment charge would arise.

If the terminal year growth rate used in the value-in-use calculation were to be 1.0% lower than management's estimates, no impairment charge would arise.

If the post tax discount rate used in the value-in-use calculation was to be 0.5% higher than management's estimates, no impairment charge would arise.

McPherson's Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2021

9. Intangible Assets (continued)

Impairment testing (continued)

Brand names
Brand names are tested for impairment on an individual basis annually and more frequently if events or changes in circumstances indicate that they might be impaired. The recoverable amount of a brand name is determined based on the higher of value-in-use or fair value less costs to sell calculations.

The value-in-use calculations are prepared using a discounted cash flow analysis of the future net contribution expected to be generated by the brand, which is based on the Board approved forecast covering a one year period. Cash flows beyond the year one period are extrapolated using estimated growth rates from the Board approved Group's five-year plan. In performing the value-in-use calculations the Group has applied a post-tax discount rate to discount the forecast future attributable post-tax cash flows.

The carrying values of the purchased brand names are:

	31 December 2021 $'000	30 June 2021 $'000
Multix	**20,166**	20,166
Manicare	**9,366**	9,366
Dr. LeWinn's	**5,719**	5,719
Maseur	**5,061**	5,061
Fusion Health	**4,200**	4,200
Swisspers	**4,156**	4,156
Oriental Botanicals	**1,100**	1,100
Other brand names	**3,970**	3,945
Total brand names	**53,738**	**53,713**

The assumptions used in the value-in-use calculations are set out below.

	31 December 2021	30 June 2021
Annual margin contribution growth rates	1.0% - 10.2%	1.0% - 7.8%
Terminal year growth rates	2.0%	1.0% - 3.0%
Post-tax discount rates	10.0%	10.0%
Pre-tax discount rates	13.7%	13.7%

Impact of possible changes in key assumptions (continued)

If the year one projected sales by brand were 10.0% below the current estimates used in the value-in-use calculations, no brand name impairment charge would arise.

If the year one contribution margin percentages were 2.0% below the current estimates used in the value-in-use calculations, no brand name impairment charge would arise.

If the terminal year growth rates used in the value-in-use calculations were to be 1.0% lower than management's estimates, no brand name impairment charge would arise.

If the post tax discount rate used in the value-in-use calculations was to be 0.5% higher than management's estimates, no brand name impairment charge would arise.

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Notes to the Consolidated Financial Statements
For the half year ended 31 December 2021

10. Borrowings

	31 December 2021 $'000	30 June 2021 $'000
Bank loan (secured)	**19,000**	16,000
Debt issue costs	**(170)**	(227)
Total non-current borrowings	**18,830**	15,773
Total borrowings	**18,830**	15,773

The Group's three-year facility, denominated in Australian dollars, has a facility limit of $47.5 million (2020: $47.5 million) and expires in June 2023. This facility comprises three tranches:

- $35.0 million revolving working capital facility;
- $10.0 million acquisition facility; and
- $2.5 million documentary facility, covering the Group's bank guarantee and letters of credit requirements.

Drawings under the $35.0 million working capital tranche of the facility are required to be backed by eligible trade debtor and inventory assets. In addition to the three-year $47.5 million facility, the Group holds a $5 million overdraft facility (2021: $5 million).

As at 31 December 2021, the Group was compliant with its debt covenants:

- Secured leverage ratio must not exceed 2.50 times;
- Interest cover ratio must be at least 3.50 times; and
- Total shareholder funds must not be less than $70,000,000.

Maturity profile of the Group's borrowings

The table below analyses the Group's borrowings into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

$'000	Less than 1 Year	Between 1 & 2 Years	Between 2 & 3 Years	Between 4 & 6 Years	Total Contractual Cash Flows	Carrying Amount
31 December 2021						
Payables	**20,901**	**-**	**-**	**-**	**20,901**	**20,901**
Borrowings	**187**	**19,187**	**-**	**-**	**19,374**	**18,830**
Lease liabilities	**3,832**	**3,517**	**2,735**	**5,842**	**15,926**	**15,163**
Total non-derivative financial liabilities	**24,920**	**22,704**	**2,735**	**5,842**	**56,201**	**54,894**
30 June 2021						
Payables	42,043	-	-	-	42,043	42,043
Borrowings	176	16,176	-	-	16,352	15,773
Lease liabilities	4,204	999	391	53	5,647	5,156
Total non-derivative financial liabilities	**46,423**	**17,175**	**391**	**53**	**64,042**	**62,972**

McPherson's Limited
Notes to the Consolidated Financial Statements
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11. Contributed Equity

	31 December 2021 $'000	30 June 2021 $'000
Issued and paid up capital:		
128,648,100 (June 2021: 128,403,460) fully paid ordinary shares	**206,640**	206,363

Movements in ordinary share capital

Date	Details	Number of Shares	Share Price $	$'000
1 July 2021	**Opening balance**	**128,403,460**		**206,363**
31 August 2021	Employee Shares Scheme	244,640	1.13	278
	Transactions costs associated with shares issued			(2)
	Tax effect of share issue transaction costs recognised directly in equity			1
31 December 2021	**Closing Balance**	**128,648,100**		**206,640**

McPherson's Limited
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2021

12. Earnings Per Share

	Half Year December 2021 Cents	Restated Half Year December 2020 Cents
Basic earnings / (loss) per share	**(1.7)**	0.9
Diluted earnings / (loss) per share	**(1.7)**	0.9
Basic earnings per share excluding material items	**3.5**	3.9
Diluted earnings per share excluding material items	**3.4**	3.9

Weighted average number of shares used as the denominator

	Half Year December 2021 Number of shares	Half Year December 2020 Number of shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**128,567,000**	114,099,234
Adjustments for calculation of diluted earnings per share:		
Commencement and performance rights granted to the former Managing Director	**803,000**	213,000
Shares estimated to be issued under employee share scheme are dilutive and therefore are included in the calculation of diluted earnings per share	**321,087**	192,965
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**129,691,087**	114,505,199

McPherson's Limited
Notes to the Consolidated Financial Statements
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13. Related parties

(a) Transactions with controlled entities

Transactions between McPherson’s Limited and its controlled entities in the Group during the year consisted of:

- Amounts advanced to and by McPherson's Limited
- Amounts repaid to McPherson's Limited
- Amounts borrowed by McPherson's Limited
- Payment and receipt of interest on certain advances at prevailing rates
- Payment of dividends to McPherson's Limited
- Receipt and payment of tax, rent, management and license fees

Balances and transactions between McPherson’s Limited and its controlled entities have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(b) Transactions with joint ventures

Transactions with joint ventures	**Half Year December 2021 $’000**	Half Year December 2020 $’000
Trade purchases	**(245)**	(588)
Trade payables	**(672)**	(556)
Loan to joint ventures	**67**	383
Expense recharges and management fees to joint ventures	**245**	431

(c) Terms and conditions

Transactions with related parties are on an arm’s length basis. Receivable amounts outstanding, other than loans, are repayable in cash and are due to be settled within two months of balance date. Outstanding loans are unsecured and do not have a specified repayment date.

14. Contingent Liabilities

From time to time, the Group is subject to claims and litigation during the normal course of business. The Board has given consideration to such matters, which are or may be subject to litigation at year end and, is of the opinion that no material liability exists other than specifically provided in these financial statements.

15. Subsequent Events

There has not arisen in the interval between the end of the half year and the date of this report, any item, transaction or event, of a material and unusual nature likely to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

McPherson's Limited and Controlled Entities
Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 7 to 29 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and

(b) there are reasonable grounds to believe that McPherson's Limited will be able to pay its debts as and when they become due and payable.

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

A. Mervis
Chairman
23 February 2022

G. Peck
Managing Director
23 February 2022

Independent auditor's review report to the members of McPherson's Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of McPherson's Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 McPherson's 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 31 December 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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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and 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

P.J. Carney

Paddy Carney
Partner

Sydney
23 February 2022