



Pental Limited
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APPENDIX 4D

HALF YEAR FINANCIAL REPORT FOR THE HALF YEAR ENDED 27 DECEMBER 2020

Reporting period

Half year - 26 weeks
(29 June to 27 December 2020)

Comparative period

Half year - 26 weeks
(1 July to 29 December 2019)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Results	\$'000	% change increase/ (decrease)
Revenue from ordinary activities	64,632	16.96%
Profit from ordinary activities after tax attributable to members	2,889	95.86%
Net profit for the period attributable to members	2,889	95.86%

Dividend	Record Date	Payment Date	Amount per security	Franked amount per security
Interim dividend – FY2021	1 March 2021	24 March 2021	1.00¢	1.00¢
Interim dividend – FY2020	2 March 2020	25 March 2020	0.70¢	0.70¢

Net tangible assets backing (NTA backing)	27 December 2020	29 December 2019
Net tangible assets per ordinary security	34.34¢	32.35¢

Other information regarding the accounts

The information contained in this Appendix 4D is based on financial statements, which have been subject to review by Grant Thornton.

For additional Appendix 4D disclosures, refer to the accompanying Media Release, Investor presentation, Director's Report and the Financial Report for the half year ended 27 December 2020.

PENTAL LIMITED

ACN 091 035 353

Financial report

For the half year (26 weeks) ended 27 December 2020

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Directors' report

The directors of Pental Limited submit herewith the financial report of Pental Limited (the Company) and its subsidiaries (the Group) for the half year (26 weeks) ended 27 December 2020. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

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

Name

Mr Mark Hardgrave Non-Executive Independent Director	Appointed Non-Executive Director 1 May 2019 Appointed Chairman on 31 December 2019
Mr John Etherington Non-Executive Independent Director	Appointed Non-Executive Director on 2 April 2013 Due to retire on 31 March 2021
Mr Jeff Miciulis Non-Executive Independent Director	Appointed Non-Executive Director on 5 March 2019
Mr Fred Harrison Non-Executive Independent Director	Appointed Non-Executive Director on 28 August 2019
Ms Kerrie Parker Non-Executive Independent Director	Appointed Non-Executive Director on 1 February 2021
Mr Charles McLeish Managing Director	Appointed CEO 1 January 2014 Appointed Managing Director 6 April 2020

Financial Performance

Net profit after tax for the 26 week period ended 27 December 2020 was \$2.889 million (29 December 2019: \$1.475 million). EBIT (Earnings Before Interest and Tax) was up 91.4% on the previous corresponding period.

	Dec 20 ⁽ⁱ⁾ \$'000	Dec 19 ⁽ⁱ⁾ \$'000	Change	
			\$'000	%
Gross Sales	95,089	85,288	9,801	11.5%
Trading terms, promotional rebates & discounts	(30,457)	(30,029)	(428)	1.4%
Net Sales Revenue	64,632	55,259	9,373	17.0%
EBITDA	6,113	4,169	1,944	46.6%
<i>EBITDA margin on net sales</i>	9.5%	7.5%		2.0%
Depreciation & Amortisation	(1,875)	(1,955)	80	(4.1%)
EBIT	4,238	2,214	2,024	91.4%
<i>EBIT margin on net sales</i>	6.6%	4.0%		2.6%
Profit after Tax	2,889	1,475	1,414	95.9%
<i>Basic EPS (cents)</i>	2.12	1.08		
	Dec 20 ⁽ⁱ⁾ \$'000	Jun 20 ⁽ⁱ⁾ \$'000		
Working Capital ⁽ⁱⁱ⁾	25,324	25,211	113	0.4%
Net Cash	2,745	3,668	(923)	-25.2%
Gearing ⁽ⁱⁱⁱ⁾	Nil	Nil		

⁽ⁱ⁾ Non-IFRS financial table

⁽ⁱⁱ⁾ Receivables plus inventory less trade and other payables

⁽ⁱⁱⁱ⁾ Net debt to equity

- **Net sales revenue** for the first half increased from the previous corresponding period by \$9.373 million or 17.0%, comprising:
 - Net sales in the Australian market were up 19.51%, driven by both branded products and contracted brand product portfolios. A significant increase in demand for bleach and cleaning products partly driven by COVID-19 led to a 20.5% increase in White King branded sales compared to last year. Jiffy firelighters also performed strongly with an increase in net sales of 63.8% compared to the prior comparative period. Contracted brands also recorded a strong net sales growth of 21.05% compared to the prior period, as Pental was able to successfully acquire new customers and execute growth plans.
 - Despite facing some supply issues due to congestions at the New Zealand port in the latter part of 2020, the New Zealand market performed strongly in the first half with net sales revenue up by 2.90% (or 3.59% in New Zealand dollars i.e. before conversion to Australian dollars).
 - Asia sales were \$0.802 million for the reported period (prior comparative period: \$0.936 million) as Pental's distributors in Asia faced challenges due to COVID-19 driven disruptions as well as an unstable political environment between Australia and China.
- **Net profit after tax** increased by 95.9% to \$2.889 million.
- **Basic earnings per share** of 2.12 cents (H1 FY20: 1.08 cents).
- **Interim fully franked dividend** declared at 1.0 cent per share (December 2019: 0.7 cents per share)
- **Strong balance sheet** with effectively no debt (cash on hand in excess of financial liabilities) and capacity to fund the Company's strategy of growth through acquisitions, agency agreements, innovation & market expansion.
- **Working capital** was marginally up by \$0.113 million compared to June 2020, predominantly due to an increase in long lead time inventories to support contracted brands growth.
- **Cash flow from operating activities** was \$3.300 million compared to the prior comparative period of \$3.325 million. The Company's cash balance decreased by \$0.923 million compared to the June 2020 balance date as special and final dividends (totalling \$2.998 million) for FY20 were paid during the reported period. Due to the significant increase in FY20 profit, the Group was also required to pay the remaining income tax related to its FY20 profit, i.e., total tax liabilities decreased by \$0.987 million compared to June 2020. The Group remains effectively debt free as at the reporting date (cash in excess of financial liabilities).

Review of Operations

Domestic Sales (Australia): As disclosed in ASX announcements made on 18 and 19 November 2020, Pental maintained healthy momentum going into FY21 after experiencing a surge in demand for its strong germ-killing products during the first wave of the COVID-19 pandemic. Pental's Australian-made brands continue to see a healthy level of demand in the marketplace, despite supply chains of its international competitors returning to normal.

Pental continued to invest heavily in supporting its powerhouse Australian-made brand, White King through both social media and outdoor advertising. As a result, sales grew by 20.5% compared to the prior year for the White King brand, led by bleach and household cleaners, even though the competition continued with heavy price discounting to influence consumer purchasing. Pental's Jiffy brand firelighters, White King 2.5 litre lemon bleach, White King mould and scum remover and White King lemon toilet gel all continue to enjoy number 1 positions on shelf¹.

Pental continues to invest in developing new products with unique points of difference in line with retailer range reviews. After 6 months of extensive research and development, the Company has developed two new scented Jiffy Firelighters and are ready to launch these into Australian supermarkets. With confirmed ranging in both Coles and Woolworths in time for the approaching Winter peak season, Jiffy is in a healthy position for the near future.

Duracell continued performing strongly in H1 FY21 after a successful FY20, resulting in net sales revenue growth of 32.5% compared to prior year driven by strong Christmas season execution coupled with expansion in additional retailers including Bunnings New Zealand and Catch.

In addition to exploring suitable acquisition opportunities, with the proven success of its distributor partnership with Berkshire Hathaway, Pental is continuing to explore other agency opportunities where the Group can leverage its existing distribution channels as a competitive advantage.

¹ Source: IRI scan data – AU Grocery Scan in dollars, MAT to 03/01/21

Export Sales: New Zealand net sales revenue increased by 3.59% compared to the prior year. The New Zealand market faced some supply issues due to port congestion in the latter part of 2020, which impacted performance in the months of November and December.

Expansion into Asia has been hampered due to COVID-driven disruptions to small distributors and an unpredictable and unstable political environment between Australia and China. Sales into Asia were \$0.815 million compared to \$0.943 million in H1 FY20.

Manufacturing: In line with its manufacturing continuous improvement strategy, the Group has been focusing on labour efficiencies by undertaking proactive preventative maintenance on its plant, minimising downtimes and interruptions to the production lines. As a result, labour efficiencies improved by 4% compared to the prior period and labour utilisation rates saw an improvement of 6% compared to the prior period. Although the labour expense was up on the prior year, this also reflects an increase in overall production volume.

Capital Projects: The Group invested in improving traffic management as a part of its commitment to further enhancing the safety of its workers and visitors on site. The insurance market in Australia has deteriorated significantly in the last 12 months, following multiple global risk events including Victorian bushfires, Californian bushfires and COVID-19, all of which drove significant losses for insurers. Pental experienced a steep increase in insurance premiums at the last renewal, as the pool of insurers shrunk due to more insurers seeking to de-risk their portfolios away from high-fire risk businesses. It is therefore crucial in the long term to invest in the Group's infrastructure. The Group is currently in tender process to procure enhanced fire protection systems which will provide best standard fire protections at its operations site.

Marketing: The first half of the year saw a committed focus on promoting Pental's core brands across multiple digital platforms, utilising static, animated and video creative. Since July 2020, the Group has garnered more than 25 million impressions while reaching more than 14 million highly targeted Australian consumers via paid advertising, programmatic displays and consumer promotions. Traditional outdoor advertising also complemented the digital activity with White King and Country Life featuring on billboards and FM radio nationally.

Pental, via its core brand Country Life, commenced a partnership with Australian charity Royal Far West on World Hand Wash Day in October 2020. Royal Far West has been working closely with families, schools and local communities to connect rural and remote Australian children with the healthcare they need since 1924. Pental through Country Life is proud to support Royal Far West on its mission to create better futures for Aussie kids in rural communities.

The new look Pental website has launched, with greater emphasis on improving both the user experience and the Group's branded presence. The core of the website has also been designed to allow for a seamless transition into the eCommerce space later in FY21.

Pental is committed to reducing its environmental footprint. As a result, the business has implemented a strategic directive that all plastics used in future Laundry and Personal Care product development be sourced from recycled plastics, utilise technology that allows for quick biodegradation or are 100% curb side recyclable.

Impact of COVID-19

As disclosed in the Group's FY20 Annual Report, Pental experienced a healthy uplift in demand for its strong anti-bacterial cleaning and personal care products during the first wave of the COVID-19 pandemic. Whilst the demand has subsided from its peak since then, the Group expects that in the long run, a healthy level of demand will remain in the market for strong cleaning and hygiene products.

The Directors believe COVID-19 will not have a material impact on the Group's ability to continue as a going concern. The Group is effectively debt free as at the reporting date with a healthy cash balance of \$2.745 million supported by a banking facility of \$8 million.

Outlook

As per trading update provided to the market on 18 November 2020, the Group expects that the full financial year 2021 underlying EBIT profit result will remain in line with FY20 which was a 47.5% increase compared to FY19.

Strategy

The Group has continued to execute the Pental business strategy of:

1. Driving sales growth
2. Developing new products
3. Securing suitable acquisitions and new agency agreements
4. Focusing on export growth through Asia
5. Manufacturing continuous improvement

Dividend

In respect of the half year (26 weeks) ended 27 December 2020, the Company will pay an interim fully franked dividend of 1.0 cent per ordinary share, payable to shareholders on 24 March 2021, with a record date of 1 March 2021.

Auditor's independence declaration


The auditor's independence declaration is included on page 5 of the half year financial report.

Rounding off of amounts

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

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

On behalf of the Directors



Mark Hardgrave
Chairman
Melbourne, 19 February 2021

Auditor's Independence Declaration

To the Directors of Pental Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Pental Limited for the half-year ended 27 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



S C Trivett
Partner – Audit & Assurance

Melbourne, 19 February 2021

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Independent Auditor's Review Report

To the Members of Pental Limited

Report on the review of the half year-financial report

Conclusion

We have reviewed the accompanying half-year financial report of Pental Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated condensed statement of financial position as at 27 December 2020, and the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half year ended on that date, a description of accounting policies, other selected 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 Pental Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Pental Limited's financial position as at 27 December 2020 and of its performance for the half-year ended on that date; and
- (b) 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*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility 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.

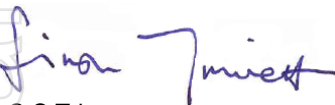
Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 27 December 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



S C Trivett
Partner – Audit & Assurance

Melbourne, 19 February 2021

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

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

On behalf of the Directors



Mark Hardgrave
Chairman
Melbourne, 19 February 2021

Condensed consolidated statement of profit or loss and other comprehensive income for the half year ended 27 December 2020

		Consolidated	
		Half year ended	
		27 Dec 2020 \$'000	29 Dec 2019 \$'000
Revenue before trading terms, promotional rebates and discounts	2	95,089	85,288
Trading terms, promotional rebates and discounts	2	(30,457)	(30,029)
Sales revenue	2	64,632	55,259
Other revenue and income		76	57
Other gains and (losses)		140	(86)
Changes in inventories of finished goods and work in progress		(4,446)	(81)
Raw materials, consumables used and utilities		(38,164)	(37,059)
Employee benefits expense		(7,779)	(6,641)
Freight and distribution expense		(3,686)	(3,429)
Marketing expense		(1,382)	(993)
Repairs and maintenance expense		(520)	(444)
Selling expense		(559)	(605)
Other expenses		(2,199)	(1,809)
Profit before finance costs, income tax, depreciation and amortisation (EBITDA)		6,113	4,169
Depreciation and amortisation expense		(1,875)	(1,955)
Profit before finance costs and income tax (EBIT)		4,238	2,214
Finance costs		(70)	(101)
Profit before income tax		4,168	2,113
Income tax expense		(1,279)	(638)
Net profit for the period		2,889	1,475
Profit Attributable to Members of the Parent Entity		2,889	1,475
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Loss on cash flow hedges taken to equity		(259)	(43)
Income tax relating to other comprehensive loss		78	14
Other comprehensive loss for the period, net of tax		(181)	(29)
Total comprehensive income for the period		2,708	1,446
Earnings per share			
Basic (cents per share)		2.12	1.08
Diluted (cents per share)		2.07	1.08

Notes to the condensed consolidated financial statements are included on pages 13 to 16.

Condensed consolidated statement of financial position as at 27 December 2020

	Note	Consolidated	
		27 Dec 2020 \$'000	28 June 2020 \$'000
Current Assets			
Cash and cash equivalents	5(a)	2,745	3,668
Trade and other receivables		15,587	20,133
Inventories		27,865	23,419
Other financial assets		81	340
Other		1,073	301
Total Current Assets		47,351	47,861
Non-Current Assets			
Property, plant and equipment		19,875	20,634
Right-of-use assets		1,213	1,170
Other intangible assets		12,507	12,508
Total Non-Current Assets		33,595	34,312
Total Assets		80,946	82,173
Current Liabilities			
Trade and other payables		18,128	18,340
Current tax payables		633	1,362
Provisions		2,569	2,254
Lease liabilities		596	456
Other financial liabilities		84	212
Total Current Liabilities		22,010	22,624
Non-Current Liabilities			
Deferred tax liabilities		2,607	2,865
Lease liabilities		668	746
Provisions		73	139
Total Non-Current Liabilities		3,348	3,750
Total Liabilities		25,358	26,374
Net Assets		55,588	55,799
Equity			
Issued capital		90,658	90,658
Reserves		201	303
Accumulated losses		(35,271)	(35,162)
Total Equity		55,588	55,799

Notes to the condensed consolidated financial statements are included on pages 13 to 16.

Condensed consolidated statement of changes in equity for the half year ended 27 December 2020

	Issued capital \$'000	Hedging reserve \$'000	Equity Settled Employee Benefits Reserve \$'000	Accumulated losses \$'000	Total \$'000
Balance at 30 June 2019	90,658	(18)	-	(37,456)	53,184
Profit for the period	-	-	-	1,475	1,475
Other comprehensive loss	-	(29)	-	-	(29)
Total comprehensive income/(loss) for the period	-	(29)	-	1,475	1,446
Dividend payment	-	-	-	(1,771)	(1,771)
Balance at 29 December 2019	90,658	(47)	-	(37,752)	52,859
Profit for the period	-	-	-	3,544	3,544
Other comprehensive income	-	285	-	-	285
Total comprehensive income for the period	-	285	-	3,544	3,829
Recognition of share based payments	-	-	65	-	65
Dividend payment	-	-	-	(954)	(954)
Balance at 28 June 2020	90,658	238	65	(35,162)	55,799
Profit for the period	-	-	-	2,889	2,889
Other comprehensive loss	-	(181)	-	-	(180)
Total comprehensive income/(loss) for the period	-	(181)	-	2,889	2,708
Recognition of share based payments	-	-	79	-	79
Dividend payment	-	-	-	(2,998)	(2,998)
Balance at 27 December 2020	90,658	57	144	(35,271)	55,588

Notes to the condensed consolidated financial statements are included on pages 13 to 16.

Condensed consolidated statement of cash flows for the half year ended 27 December 2020

	Note	Consolidated	
		Half year ended	
		27 Dec 2020 \$'000	29 Dec 2019 \$'000
Cash flows from operating activities			
Receipts from customers		77,224	64,002
Payments to suppliers and employees		(71,669)	(59,697)
Interest and other costs of finance paid		(46)	(70)
Interest on lease liabilities		(24)	(31)
Income tax paid		(2,185)	(879)
Net cash provided by operating activities	5(b)	3,300	3,325
Cash flows from investing activities			
Payment for property, plant and equipment		(774)	(1,029)
Payment for other intangible assets		(42)	(24)
Net cash used in investing activities		(816)	(1,053)
Cash flows from financing activities			
Repayment of lease liabilities		(280)	(239)
Utilisation/(repayment) of supplier payment facility		(129)	611
Dividends paid		(2,998)	(1,771)
Net cash used in financing activities		(3,407)	(1,399)
Net increase/(decrease) in cash and cash equivalents		(923)	873
Cash and cash equivalents at the beginning of the period		3,668	246
Cash and cash equivalents at the end of the period		2,745	1,119

Notes to the condensed consolidated financial statements are included on pages 13 to 16.

Notes to the condensed consolidated financial statements

1. Significant accounting policies

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half year report does not include 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 28 June 2020 and any public announcements made by Pental Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The half year ended 27 December 2020 comprised of a 26 week period from 29 June to 27 December 2020 (2019: 26 week period from 1 July to 29 December 2019).

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's 2020 annual financial report for the financial year ended 28 June 2020, except for the impact of the adoption of the new and revised accounting policies' discussed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Adoption of new and revised Accounting Standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. Segment information

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is more specifically focused on the Group's two operating divisions

The Group is organised into two operating segments, consistent with management reporting provided to the Group's Managing Director (the chief operating decision maker), which is used to manage the business and allocate resources. The consolidated entity is organised on an international basis into the following reporting segments:

Owned Brands: The Group owns and manages a range of brands in the Australian and New Zealand markets including its flagship brands White King, Country Life, Jiffy, Janola and Sunlight. This segment's operations contain manufacturing, wholesale and management of these brands. The Group promotes these brands through advertising, social media, outdoor media and in store activities.

Contracted Brands: The Group provides contract services including manufacturing and distribution to external brand owners. This includes manufacturing of private label products for retailers, contractually manufactured products to specification for external FMCG companies and distribution of products for Duracell batteries. The Group does not manage or promote these brands as it does not own them.

2. Segment information (continued)

The Group's segment financial information is as per below:

	Owned Brands		Contracted Brands		Total	
	27 Dec 2020 \$'000	29 Dec 2019 \$'000	27 Dec 2020 \$'000	29 Dec 2019 \$'000	27 Dec 2020 \$'000	29 Dec 2019 \$'000
Segment Revenue						
Revenue before trading terms, promotional rebates and discounts	39,759	36,669	55,330	48,619	95,089	85,288
Trading terms, promotional rebates and discounts	(12,978)	(12,677)	(17,479)	(17,352)	(30,457)	(30,029)
Sales revenue	26,781	23,992	37,851	31,267	64,632	55,259
Segment Results						
Profit before finance costs and income tax (EBIT)	2,803	1,668	1,435	546	4,238	2,214
Finance costs					(70)	(101)
Profit before income tax					4,168	2,113
Income tax expense					(1,279)	(638)
Net profit for the period					2,889	1,475

Due to the similar and shared nature of products, customers, suppliers and facilities, a significant overlap exists between the assets and liabilities utilised by both reported segments. Segment assets and liabilities are therefore, unable to be allocated to individual segments on a reasonable basis.

Geographical analysis

The Group's business activities are based in Australia and encompass the manufacturing, marketing and distribution of goods targeted at the household essentials market in Australia, New Zealand and Asia.

The Group's segment revenue is geographically as follows:

	27 Dec 2020 \$'000	29 Dec 2019 \$'000
Geographical sales		
Australia	57,056	47,740
New Zealand	6,774	6,583
Asia	802	936
Total geographical sales	64,632	55,259

3. Dividends paid and proposed

Dividends paid on ordinary shares during the half year

Special fully franked dividend for FY2020: 0.7 cents (FY2019: NIL)	954	-
Final fully franked dividend for FY2020: 1.5 cents (FY2019: 1.3 cents)	2,044	1,771

Dividends declared on ordinary shares – unrecognised amounts

Interim fully franked dividend for FY2021: 1.0 cents (FY2020: 0.70 cents)	1,363	954
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4. Fair value measurements

The only financial assets or financial liabilities carried at fair value are foreign currency contracts.

The fair value of the foreign currency contracts at 27 December 2020 was a financial asset of \$81 thousand (28 June 2020: financial asset of \$340 thousand). The movement in this asset of \$181 thousand (net of tax) has been recorded as a comprehensive loss and transferred to the hedging reserve.

The directors consider that the carrying amount of other financial assets and financial liabilities recorded in the financial statements approximate their fair values.

5. Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash includes balance of trade finance facility, overdraft facility, cash on hand and at bank. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

	27 Dec 2020 \$'000	28 Jun 2020 \$'000
Cash and bank balances	7,911	3,668
Trade finance facility	(5,166)	-
Net Cash and Cash Equivalents	2,745	3,668

(b) Reconciliation of Profit for the half year to net cash flows from operating activities

	27 Dec 2020 \$'000	29 Dec 2019 \$'000
Profit for the reported period	2,889	1,475
Depreciation and amortisation expense	1,875	1,955
Provision for equity settled employee benefits reserve	79	-
Changes in net assets and liabilities, net of effects from acquisition of businesses:		
<u>(Increase)/decrease in assets:</u>		
Trade and other receivables	4,545	2,231
Inventories	(4,446)	81
Other assets	(510)	(368)
<u>Increase/(decrease) in liabilities:</u>		
Trade and other payables	(212)	(1,891)
Provisions	67	99
Current and deferred tax liabilities	(987)	(257)
Net cash from operating activities	3,300	3,325

6. Banking facilities

Multi option loan facility

Following the expiry of its multi-option facility with ANZ bank on 31 October 2020, the Group has successfully secured a new 4-year multi option loan facility with the Commonwealth Bank of Australia that allows the Group to choose the appropriate type of funding facility to suit its business needs. The multi option facility can be used as a bank overdraft, trade advance, market rate loan and contingent liability facility.

6. Banking facilities (continued)

The multi option facility has a facility limit of \$8,000,000 (29 December 2019: \$5,000,000). The multi option facility bears various interest rates subject to how it is utilised. The financing arrangement is secured by the Group's assets through first registered mortgage over its Shepparton property and first ranking fixed and floating charges over the Company and its subsidiaries (with corresponding cross guarantee). The facility expires 31 October 2024.

Unsecured supplier payment facility

The Group also has alternative unsecured financing facilities to draw upon through American Express, if and when required. There are no restrictions of use associated with the supplier finance facility.

7. Subsequent events

- Declaration of the dividend disclosed in note 3
- Change to Duracell distribution agreement as announced to the ASX on 16 February 2021.

Other than the above disclosures, there has not been any matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.