Annual Report for the year ended 30 June 2021

Fleetwood Limited ABN 69 009 205 261

Building Solutions

Design, manufacture and supply of accommodation for the education, custodial, affordable housing and mining industries.

Lyrebird College, Victoria

Accommodation Solutions

Operation of accommodation villages - Searipple in Karratha and Osprey in South Hedland.

Searipple Village Karratha, Western Australia

RV Solutions

Import, manufacture and distribution of leading products to the recreational vehicle industry and servicing of the caravan and motorhome industry.

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Corporate Directory

DIRECTORS

John Kelpec
Jeff Dowling
Adrienne Parker
Mark Southey
Martin Monro

COMPANY SECRETARIES

Elizabeth Maynard
Andrew Wackett

AUDITOR

Grant Thornton Audit Pty Ltd

BANKER

Westpac Banking Corporation

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

21 Regal Place
East Perth, WA 6004

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W: www.fleetwoodlimited.com.au

SHARE REGISTRY

Computershare

Level 11
172 St Georges Terrace
Perth, WA 6000

T: (08) 9323 2000
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Board of Directors

The Board is currently comprised of five Non-Executive Directors. The Directors who are in office at the date of this Report are:

John Klepec

BCOMM, MAICD
NON-EXECUTIVE DIRECTOR, BOARD CHAIR

John Klepec was appointed as a Non-Executive Director on 19 November 2020, and as Chair of the Board on 26 February 2021.

John possesses considerable expertise in commercial management, business development and finance across a wide range of industry groups including construction, building products, construction materials, resources, agriculture, logistics, health care and media.

John has considerable public company experience, including most recently, Executive Chairman of Wellard Limited and previously as a non-executive director and alternate director of Ten Network Holdings Limited.

John was previously the Chief Development Officer for Hancock Prospecting, and prior to that, held senior management positions with major Australian publicly listed companies BHP Billiton Limited, Mayne Group Limited and with the BGC Group.

John holds a Bachelor of Commerce and is a member of the Australian Institute of Company Directors.

John has held the following directorships of listed companies in the three years immediately before the end of the financial year: Executive Chairman of Wellard Limited (appointed November 2016).

Jeff Dowling

BCOMM, FCA, FICA, FFIN, FAICD
NON-EXECUTIVE DIRECTOR, CHAIR OF AUDIT COMMITTEE

Jeff Dowling was appointed as a Non-Executive Director on 1 July 2017, and thereafter as Chair of the Audit Committee.

Jeff is a highly experienced corporate leader with over 40 years' experience in professional services with Ernst & Young. Jeff held numerous leadership roles within Ernst & Young which focused on mining, oil and gas and other industries. Jeff's expertise is centred around audit, risk and financial acumen derived from acting as lead partner on numerous large public company audits, capital raisings and corporate transactions. As a non-executive director of a number of ASX listed companies Jeff has been involved with various corporate acquisitions and takeovers, debt restructures and equity raisings.

Jeff holds a Bachelor of Commerce and is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institute of Chartered Accountants, and a Fellow of the Financial Services Institute of Australasia.

Jeff has held the following directorships of listed companies in the three years immediately before the end of the financial year: Non-Executive Director of S2 Resources Limited (appointed May 2015), Non-Executive Director of NRW Holdings Limited (appointed August 2013) and Non-Executive Director of Battery Minerals Limited (appointed January 2018).

Adrienne Parker

LLB, MAICD
NON-EXECUTIVE DIRECTOR, CHAIR OF NOMINATIONS & DIVERSITY COMMITTEE

Adrienne Parker was appointed as a Non-Executive Director on 23 August 2017, and thereafter as Chair of the Nominations & Diversity Committee.

Adrienne is a partner and Head of Pinsent Mason's Perth office, a global law firm. Adrienne specialises in major construction, engineering and resources projects, including disputes in the infrastructure, mining, oil and gas and transport sectors.

Adrienne's experience includes advising parties on the procurement, management and delivery of infrastructure projects across Australia via traditional project delivery models and relationship contracting, including public-private partnership projects. Adrienne has also acted in many large scale complex disputes in multiple jurisdictions involving mining projects, processing plants, oil and gas facilities, and major commercial building and infrastructure projects.

Adrienne holds a Bachelor of Laws from the University of Western Australia. She is the Chair of the Joint Law Council of Australia and Law Society of Western Australia's Construction and Infrastructure Law Committee and a past president of the WA Chapter of National Association of Women in Construction. She is also a member of the Society of Construction Law Australia and a member of the Australia Institute of Company Directors.

Adrienne did not hold any other directorships with listed companies in the last three years.

Executive Team

Mark Southey

BSC (HONS), MBA, GAICD
NON-EXECUTIVE DIRECTOR, CHAIR OF REMUNERATION COMMITTEE

Mark Southey was appointed as a Non-Executive Director on 10 October 2018, and thereafter as Chair of the Remuneration Committee.

Mark is an experienced senior executive with extensive global experience in industrial technology and services and project development in the natural resources sectors. Mark has previously held senior executive positions with Honeywell and ABB in Australia and internationally, and was a member of the global executive leadership team within WorleyParsons where he held the position of Group Managing Director for the Minerals, Metals and Chemicals Sector.

Mark holds a Bachelor of Science (Hons) in Engineering with Business Studies, has an MBA from the University of Sydney Business School, and is a Graduate of the Australian Institute of Company Directors.

Mark has held the following directorships of listed companies in the three years immediately before the end of the financial year: Non-Executive Chairman of Arafura Resources Limited (appointed January 2018).

Martin Monro

BA, FAICD, FAIB
NON-EXECUTIVE DIRECTOR, CHAIR OF RISK COMMITTEE

Martin Monro was appointed as a Non-Executive Director on 1 June 2020, and thereafter as Chair of the Risk Committee.

Martin was formerly the Chief Executive Officer and Managing Director of Watpac Limited from August 2012 until his retirement in an executive capacity in June 2019. Martin has more than 30 years' experience in the Australian and international construction sectors, with a proven track record in prudent financial management, safety leadership and successful expansion into new markets. Martin remains a Non-Executive Director of Watpac Limited.

Martin is the immediate past National Vice President for the Australian Industry Group, a member of the Royal Melbourne Showgrounds Unincorporated Joint Venture Board, the Chair of the Moits Advisory Board and Chair of the Advisory Board of SC Pannell Wines. He is also a Specialist Workplace Relations Advisor to the Board of the Australian Constructors Association and previously a director of the construction industry suicide prevention charity, Mates in Construction.

Martin has formal qualifications in Psychology and Human Resources Management, is a graduate of the Accelerated Development Program at the London Business School, a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Building.

Martin has held the following directorships of a listed company in the three years immediately before the end of the financial year: Managing Director of Watpac Limited (appointed October 2014), delisted on December 2018.

Bruce Nicholson

B.ENG, MBA, MAICD
CHIEF EXECUTIVE OFFICER

Bruce Nicholson commenced as Chief Executive Officer on 1 July 2021.

A highly credentialled building and construction materials executive, Bruce has demonstrated expertise delivering results within challenging environments and projects in Australia, New Zealand, North America and Europe.

Prior to joining Fleetwood, Bruce served as Chief Executive Officer and Managing Director of Waco Kwikform Group, Australia and New Zealand's leading supplier of scaffolding and false work to commercial and civil construction, residential and industrial markets.

Bruce was credited with leading the turnaround of a complex manufacturing operation in the concrete piping and products business, as head of Fletcher Building Group's ROCLA business.

Deep experience in heavy manufacturing is complemented by Bruce's logistics and commercial skills honed from extensive roles within the CSR Readymix Group, where he progressed to the position of Executive General Manager for Holcim's Australian and New Zealand aggregates operations.

Bruce's substantial industry experience is underpinned by a Bachelor in Civil Engineering from the University of Technology Sydney and an MBA from James Cook University.

Executive Team continued

Andrew Wackett

BCOMM, FCPA, FFIN, GAICD
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Andrew Wackett commenced as Chief Financial Officer on 12 June 2017 and was appointed as Company Secretary on 5 July 2018.

Prior to joining Fleetwood, Andrew was a Division Director of Macquarie Securities Group for 20 years. During that time, Andrew gained significant commercial experience with large Australian and international listed entities, developed an in depth knowledge of corporate governance, and statutory financial requirements, and has proven financial and leadership skills in guiding business, departments and teams in the formulation and execution of financial strategies. Prior to Macquarie, Andrew worked at Wesfarmers for over six years.

Andrew holds a Bachelor of Commerce, is a Fellow of CPA Australia, a Fellow of Financial Services Institute of Australasia and a Graduate of the Australian Institute of Company Directors.

Elizabeth Maynard

LLB (HONS), BCOMM, GAICD
GENERAL COUNSEL & COMPANY SECRETARY

Elizabeth Maynard was appointed General Counsel & Company Secretary in September 2018.

Elizabeth has over 12 years' experience as a commercial and corporate lawyer and governance professional having spent a number of years in private practice as an M&A and corporate advisory lawyer with a top-tier Australian law firm advising clients in a variety of sectors on domestic and cross-border transactions. Elizabeth also has significant international experience, having spent over 3 years working in Singapore and the Asia-Pacific region at a top-tier UK law firm.

Elizabeth holds a Bachelor of Laws (Hons) and Bachelor of Commerce (Accounting) and is a Graduate of the Australian Institute of Company Directors. Elizabeth is a member of the Law Society of Western Australia, member of the Association of Corporate Counsel Australia and a committee member of the Royal Perth Hospital Human Research Ethics Committee.

Andrew McCormack

MA (ENG), BENG (HONS), DHRM, CPHR
GENERAL MANAGER – WHSE & HR

Andrew McCormack was appointed as General Manager for WHSE and Human Resources in July 2014, after commencing with Fleetwood in July 2011.

Prior to joining Fleetwood, Andrew held a variety of Operations Management, Industrial Engineering and Human Resources roles in Australian and international manufacturing firms. Andrew has significant experience in enterprise risk management and employee relations and a genuine passion for the wellbeing and development of our people.

Andrew holds a Master of Engineering (Industrial), a Bachelor of Engineering (Hons), a Diploma of Human Resources Management and is an AHRI Certified Human Resources Practitioner.

Jason Kunkler

MBA, FAIB
CHIEF OPERATING OFFICER BUILDING SOLUTIONS

Jason Kunkler was appointed as Chief Operating Officer of Building Solutions on 1 June 2020.

Jason has more than 33 years of operational and executive experience in the construction industry. He is the immediate past president of MBAWA and was formerly the General Manager of PACT Construction, a subsidiary of the privately-owned ABN Group, a position he held for 16 years. As the founding General Manager of PACT, he oversaw the establishment and growth of the business delivering projects in the commercial construction sector for both public and private sector clients.

Jason holds an MBA and is a Fellow of the Australian Institute of Building.

Dominic Letts

BA, MA (HRM&IR), GAICD
CHIEF OPERATING OFFICER ACCOMMODATION SOLUTIONS

Dominic Letts was appointed as Chief Operating Officer of Accommodation Solutions in January 2018, having previously held senior appointments at Fleetwood since joining in 2008.

He has been responsible for the significant commercial transactions and operational performance of Accommodation Solutions and has deep insight of accommodation drivers for construction and residential workforces.

Prior to joining Fleetwood, Dominic served as a Special Forces Army Officer and led operations and training in the Middle East and Asia Pacific.

Dominic holds a Master of Human Resources Management and Industrial Relations, a Bachelor of Arts (History/Politics) and is a Graduate of the Australian Institute of Company Directors.

Manny Larre

BENG, MAICD
CHIEF OPERATING OFFICER RV SOLUTIONS

Manny joined Fleetwood in September 2011 as General Manager of Flexiglass, leading its operational turnaround and acquisition of Bocar, before their divestment in 2018.

Manny was promoted to the role of Chief Operating Officer of the RV Solutions business in August 2018 following the acquisition of Northern RV.

Prior to joining Fleetwood, Manny held various executive leadership roles in the automotive and consumer products industries.

During that time, Manny gained significant operational and commercial experience within large Australian and internationally listed companies, leading several companies through operational turnarounds.

Manny holds a Bachelor of Engineering, with post graduate studies in Management, Marketing and is a Member of the Australian Institute of Company Directors.

Chairman's Letter

Dear Shareholders,

The past 12 months have seen a solid performance across all the Fleetwood operations which is a credit to every person involved.

We have also undergone significant changes at the Board and Executive level. And while it always creates some uncertainty, the change in leadership provides impetus for the evolution of Fleetwood's strategies and also a refreshed focus on their implementation.

In November our Managing Director and CEO, Brad Denison, left us after a significant 23- year career with Fleetwood, including the last six in that particular role. Brad led the transformation of Fleetwood from a predominantly west coast-based caravan manufacturer to a national leader in modular building construction which we will benefit from in the coming years.

Following Brad's departure we commenced a nationwide search for a suitable CEO replacement and after an exhaustive process we appointed experienced building and construction materials executive Bruce Nicholson as CEO effective 1st July 2021.

Bruce is a civil engineer by profession and was most recently the CEO and Managing Director of Waco Kwikform Group, a leading supplier of scaffolding and false work to commercial and civil construction, residential and industrial markets in Australia and New Zealand. He was previously Managing Director of Fletcher Building Group's ROCLA concrete piping and products business, had a long career at CSR Readymix and led Holcim's Australian and New Zealand Aggregates operations.

Importantly, Bruce will be a Sydney based CEO, locating him close to our East Coast Building Solutions business operations and its major customers.

We welcome Bruce and look forward to his contribution toward Fleetwood's ongoing transformation and planned growth.

At the half year results in February our chairman Phillip Campbell retired after 4 and a half years on the Board, all as Chairman and I also thank him for his tireless contribution in the role and look forward to building on the base that he established.

Our CFO Andrew Wackett also deserves special mention. Andrew took on the dual role as interim CEO during the transition period and was also well-supported throughout that period by the wider executive team delivering a solid second half result in challenging circumstances.

But I would like to save the biggest thanks for our staff of over 600 people. The past year has been incredibly challenging particularly in the Building Solutions operations from both a professional and personal perspective for everyone as we navigate our way through the integration and nationalisation of the operations with the added overlay presented by COVID-19 restrictions and uncertainties.

The fact that Fleetwood has not only pulled through but delivered a very satisfactory result is a testament to the hard work and dedication of the entire Fleetwood family.

Although the Board is optimistic about the long-term future for Fleetwood, the commencement of FY22 has seen the very full effect of COVID-19 on our NSW operations with the restrictions being placed on our staff and contractors causing considerable individual hardship which is very disconcerting for all of us.

As of the date of writing this review there are real risks that Fleetwood staff in other States maybe similarly impacted as NSW is and we will continue to monitor, respond with action wherever we can and generally persevere, until there is a resolution.

Looking forward to a lifting of restrictions our three business units - Building Solutions, Accommodation Solutions and RV Solutions all have growth opportunities that we can capitalise on in FY22.

Building Solutions is a leader in modular construction for the education, custodial, mining and affordable housing market segments across Australia. Whilst the short-term focus is operational and growing the revenue base from our existing structure, we also look to be a major participant in the expected longer term move from modular construction to modular products in the Australian market.

Accommodation Solutions with investment in major resources projects and Governments actively looking at affordable housing solutions and dedicated facilities for quarantine and immigration will further feed the growth of Building Solutions.

RV Solutions is expected to continue to benefit from strong demand on the back of international border closures increasing local travel and opportunities for production of new products in Australia have emerged.

Finally, I would like to thank our shareholders for their ongoing support and acknowledge my fellow Board members for their commitment and hard work during the year. I am excited about the future for Fleetwood and look forward to sharing that journey with you all.

John Klepec
Non-Executive Chairman

Chief Executive Officer's Review

Review of Operations

+ **Underlying EBITA of $26.3 million, up 18%**
+ **$57.6 million in net cash**
+ **Final dividend of 10.5 cents per share**
+ **Full year dividend of 16.5 cents per share**

Fleetwood's three operating businesses combined have delivered a sound performance, resulting in underlying earnings before interest, tax and amortisation (EBITA) of $26.3 million for FY21, up 18% compared to the previous corresponding period. Revenue was up 9% to $360.1 million.

Cash levels at the end of the period were lower than at 1H21 due to the working capital requirements of two major building projects. The Company has also largely utilised its tax losses and has recommenced tax payments.

However, cash levels and the balance sheet in general, remain strong and are well-matched to the Company's ongoing requirements.

The Board introduced a revised dividend payout policy of 100% of net profit after tax (NPATA basis) in February 2021. As such, a final dividend of 10.5 cents per share has been declared, following the 6 cents per share interim dividend paid in April 2021. This compares to the FY20 dividend of 12 cents per share.

The Company presently has 20 cents per share in franking credits available to support up to 46 cents per share of fully franked dividends.

The strategic focus of Fleetwood management remains on revenue growth, sustainably improving margins, increasing utilisation and reducing overheads to improve earnings. Specific strategies, as they apply to each of the operating businesses are detailed in the segment results commentary.

Fleetwood acknowledges the potential impact of climate change on our businesses. To this end, we are planning on publishing our inaugural Sustainability Report later this financial year.

Pumicestone State School, Queensland

Trading Results

Building Solutions and RV Solutions delivered improved profit results in FY21 partially offset by a weaker second half for Accommodation Solutions, which was impacted by additional regional room supply coming into the market.

Earnings per share was 18.1 cents per share on an NPATA[1] basis up 16%.

Results Summary

$ MILLION	FY21	FY20	Change
Revenue	**360.1**	**329.9**	**9%**
EBITDA	**42.5**	**38.2**	**11%**
Depreciation	16.2	15.9	2%
EBITA	**26.3**	**22.3**	**18%**
Amortisation of contract intangible	3.8	4.2	-8%
Finance costs	1.3	1.4	-8%
Pre-tax profit	21.2	16.7	27%
Tax expense	6.6	4.7	40%
Underlying NPAT	**14.6**	**12.0**	**21%**
Impairment	0.0	(13.8)	n/a
Continuing operations NPAT	**14.6**	**(1.8)**	**n/a**
Loss from discontinued operations	1.3	(1.0)	n/a
Statutory NPAT	**13.3**	**(2.8)**	**n/a**
NPATA[1]	17.3	14.9	16%

[1] NPATA = Underlying NPAT plus after-tax amortisation of contract intangible.

Divisional Result Summary

$ MILLION	FY21	FY20	Change
Revenue			
RV Solutions	72.4	62.9	15%
Building Solutions	249.1	223.2	12%
Accommodation Solutions	38.3	43.6	-12%
Intersegment eliminations	0.2	0.2	17%
Total revenue	**360.1**	**329.9**	**9%**
EBITA			
RV Solutions	7.8	3.7	111%
Building Solutions	9.6	6.6	46%
Accommodation Solutions	14.6	16.2	-10%
Unallocated	(5.7)	(4.2)	n/a
Total EBITA	**26.3**	**22.3**	**18%**

Note: The above table excludes the discontinued resource sector rental and caravan manufacturing businesses.

Cashflow and Debt

Solid cashflow continues to be generated resulting in FY21 net cash of $57.6 million (compared to $65.7 million at 30 June 2020). This is after accounting for dividend payments of $17.0 million and a project finance advance of $8.7 million which was repaid subsequent to year end.

Working capital increased as expected during the second half due to the impact of two major projects that remained under construction at year end.

The Company currently has total debt and bonding facilities of $85 million drawn to $17.7 million for performance bonds.

The movement in net debt is detailed opposite.

Cashflow Summary

$ MILLION	FY21	FY20
EBITDA	**42.5**	**38.2**
Cash outflows from discontinued businesses	(0.3)	(0.3)
Interest paid (net)	(1.1)	(0.5)
Tax	0.5	(0.4)
Working capital (and other)	(14.9)	9.7
Operating cashflow	**26.7**	**46.6**
Net capex	(1.3)	(6.5)
Free cashflow	**25.4**	**40.2**
Net acquisitions	0.0	(0.9)
Project finance advance	(8.7)	0.0
Lease repayments and other	(7.8)	(7.2)
Dividends paid	(17.0)	0.0
Financing cashflows	**(33.5)**	**(7.2)**
Opening net cash (debt)	65.7	33.6
Closing net cash (debt)	**57.6**	**65.7**

Building Solutions

The Building Solutions business finished FY21 with EBIT of $9.6 million on revenue of $249.1 million. Operational integration issues in New South Wales, noted at the half year, continued into the second half but were offset by a strong operational performance in Victoria and an improved result in Western Australia driven by the mining and housing sectors.

Importantly, the order book remains strong at $103 million (excluding on-going education panel works). While this is lower than the level recorded at December, there has been a considerable increase in the bid pipeline, with a total of $438 million in tenders submitted, up 56% from the level of June 2020.

New projects secured include:

- Sydney International Speedway, New South Wales – Sport and Recreation
- Mackenzie and Fernbrook Schools, Queensland – Education
- Various Education works – Western Australia

Core projects currently underway include:

- New sporting facilities in Maroondah, Victoria – Sport and Recreation
- Elizabeth North Primary School, Kingston Community School and special options learning environments for Kadina Memorial School, South Australia – Education
- The Department of Justice and Community Safety - Victorian Prisons Expansion project, New South Wales and Victoria – Custodial
- Expanded new accommodation and supporting facilities at Ti Tree camp for Rio Tinto, Western Australia – Mining and Resources

Major projects completed during the period include:

- Three school projects, New South Wales - Education
- Pumicestone and Petrie Terrace Primary Schools, Queensland – Education
- Gudai-Darri mining camp, Western Australia - Mining

OUTLOOK AND FORWARD STRATEGY

The outlook for Building Solutions remains strong. The Federal and State Governments in Australia continue to tout stimulus spending programs to drive economic activity, and this is evidenced in the pipeline of contract opportunities in both the tender and planning phases.

The Company is also experiencing increased acceptance of modular construction as a design, cost and time effective solution for sectors such as education, custodial, mining and affordable housing.

There are challenges impacting the entire building industry, including the cost and availability of raw materials and general labour shortages. To tackle these issues the Company has strategically procured key materials where possible and is sharing resources where practical.

Ongoing State based COVID-19 lockdowns continue to impact activity levels and client decision making time frames.

Building Solutions has an established three-part strategy that is midway through execution to deliver improved earnings.

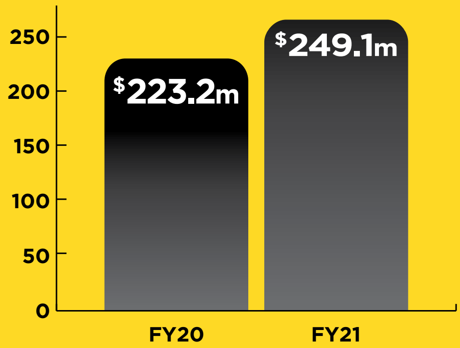
1. Diversify and grow the revenue base
   a. Expand the existing industry market segments to increase revenue
   b. Generate more balanced and sustainable revenue sources at each operation to optimise State by State capacity
   c. Diversify and grow into additional markets including;
      i. Commercial
      ii. Multi-level residential
      iii. Residential
      iv. Social housing
      v. Healthcare
      vi. Aged care and
      vii. Custodial work
2. Nationalise and integrate the business
   a. Develop a single framework with common business systems, processes, marketing, branding, structures and approaches to effect capacity and cost efficiencies
   b. Leverage the national business and economies of scale to access larger opportunities in the market place
3. Implement a framework of operational excellence
   a. Continue building a high-performance team-based framework by refining project delivery workflows, systems (including the application of technology), processes and procedures
   b. Developing and enhancing project delivery expertise to align with the increasing diversity and complexity of expanding market segments, project types and broader industry needs
   c. Invest in a new performance development and review platform to support workforce development

The strategy is already delivering noticeable results, in particular with the re-entry into the affordable housing market in Western Australia, where Fleetwood has partnered with selected developers to deliver new residential homes.

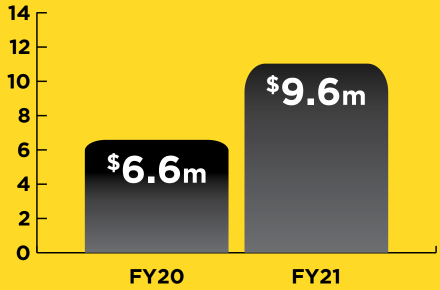
There has also been strong Government engagement on social housing, including Ministerial visits to Fleetwood production facilities and a second State Government has engaged with the Company for custodial work.

> **"The strategy is already delivering noticeable results, in particular with the re-entry into the affordable housing market in Western Australia."**

Building Solutions



REVENUE



EBITA

Barramurra Public School, New South Wales

Bay Life Op Shop Busselton, Western Australia

Accommodation Solutions

The Accommodation Solutions business finished FY21 with EBIT of $14.6 million on revenue of $38.3 million.

The Fleetwood owned and operated Searipple Village in Karratha benefitted from COVID-19 related rostering changes in the first half, which subsequently returned to more normal occupancy patterns for the remainder of the year. The second half also saw a full six-month impact of increased room supply in the Karratha market.

Major Searipple client, Rio Tinto, renewed its rooms contract for a further 16 months to support its Karratha and Dampier workforce.

Osprey Village in South Hedland is currently fully occupied with a significant waiting list of potential tenants reflecting the strength of the Port Hedland market.

OUTLOOK AND FORWARD STRATEGY

Accommodation Solutions management remain actively engaged in business development opportunities in the North West of Western Australia.

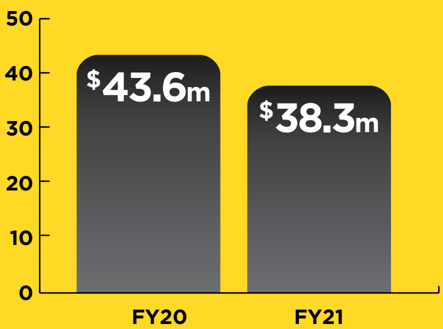
There is a significant level of capital investment and construction activity forecast in the oil and gas and resources sector in the region which is expected to drive strong demand for fly-in fly-out (FIFO) rooms over the medium term. The general housing shortage has also triggered discussions regarding the development of new affordable accommodation solutions in the region.

In addition, Accommodation Solutions is well placed to pursue Build Own Operate/Transfer (BOOT) or Build to Rent (BTR) opportunities in residential and aged care, leveraging the ability to source new villages at a competitive cost supported by the Building Solutions business and Fleetwood's strong balance sheet.

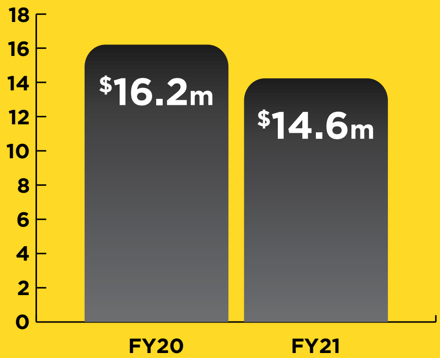

Osprey Village, South Hedland, Western Australia

> **"Major Searipple client, Rio Tinto, renewed its rooms contract for a further 16 months to support its Karratha and Dampier workforce."**

Accommodation Solutions



REVENUE



EBITA

Glyde is transformational digital technology for workforce accommodation

Searipple Village Karratha, Western Australia

RV Solutions

The RV Solutions business finished FY21 with EBIT of $7.8 million on revenue of $72.4 million. Both the OEM and aftermarket segments experienced strong trading conditions following the COVID-19 lockdowns.

The strong result has been largely driven by a boom in domestic travel forced by COVID-19 international border closures. Additionally, the restructuring during H1 FY20 has seen improved demand translated into increased EBITA outcomes.

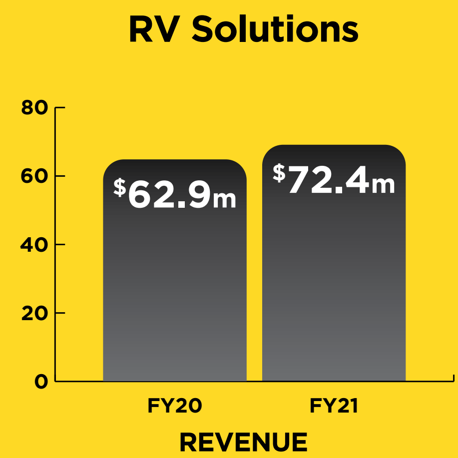
Camec retail stores have experienced a significant increase in foot traffic as well as online sales of products. Higher sales of secondhand caravans has created strong demand for parts, accessories, repairs and renovation requirements through Northern RV.

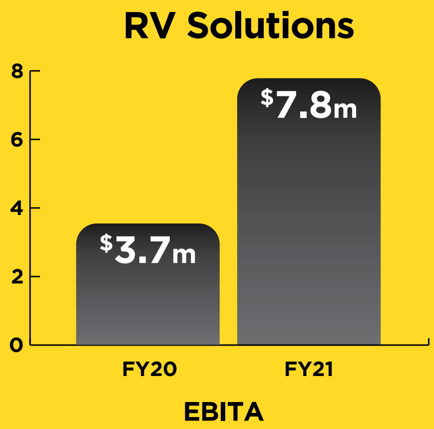
OUTLOOK AND FORWARD STRATEGY

The medium-term outlook for RV Solutions remains strong given uncertainties around international travel. There is also an expectation that even with a re-opening of borders, there may be an ongoing reluctance by Australians to travel overseas.

Challenges are evident however, with product sourcing, freight and skilled labour impinging on even stronger growth.

Increased demand is providing opportunities for new products such as sandwich panel walls and aluminum wall frames. The increase in secondhand van sales provides opportunities for products and the promotion of renovations through Northern RV.





Financial Report FY21

For the year ended 30 June 2021

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DIRECTORS' REPORT

The information appearing on pages 2 to 16 forms part of the directors' report for the financial year ended 30 June 2021 and is to be read in conjunction with the following information:

DIRECTORS AND OFFICERS

The Board is currently comprised of five Non-Executive Directors. The Directors who are in office at the date of this Report are:

John Klepec	Non-Executive Director, Board Chair
Jeff Dowling	Non-Executive Director, Chair of Audit Committee
Adrienne Parker	Non-Executive Director, Chair of Nominations and Diversity Committee
Mark Southey	Non-Executive Director, Chair of Remuneration Committee
Martin Monro	Non-Executive Director, Chair of Risk Committee

BOARD OF DIRECTORS, AUDIT COMMITTEE, RISK COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION AND DIVERSITY COMMITTEE MEETINGS

During the financial year, 17 Board meetings, two Audit Committee, two Risk Committee meetings, three Remuneration Committee meetings and two Nomination and Diversity Committee meetings were held. The number of meetings attended by each Director of the Company during the financial year are as follows:

	BOARD		AUDIT COMMITTEE		RISK COMMITTEE		REMUNERATION COMMITTEE		NOMINATIONS AND DIVERSITY COMMITTEE	
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED
Phillip Campbell [1]	12	12	2	2	1	1	2	2	2	1
Brad Denison [2]	6	6	1	1	1	1	2	2	1	1
Jeff Dowling	17	17	2	2	2	2	3	3	2	2
Adrienne Parker	17	17	2	2	2	2	3	3	2	2
Mark Southey	17	17	2	2	2	2	3	3	2	2
Martin Monro	17	17	2	2	2	2	3	3	2	2
John Klepec [3]	11	11	1	1	2	2	1	1	1	1

[1] Phillip Campbell resigned as Board Chair and a Non-Executive Director effective 26/02/2021.

[2] Notwithstanding he is not a member, Brad Denison attended relevant sections of the meetings as directed by the Chair of the Audit and Risk Committee and the Chair of the Remuneration Committee, respectively. Brad Denison resigned from the Company effective 04/05/2021.

[3] John Klepec was appointed as a Non-Executive Director on 19/11/2020.

DIRECTORS' SHAREHOLDINGS

The relevant interest of each Director in Company shares and options at the date of this Report, as notified by the Directors to the ASX in accordance with s205G(1) of the Corporations Act (Cth) 2001 are as follows:

	NO. OF SHARES
Jeff Dowling	50,000
Adrienne Parker	8,290
Mark Southey	15,000
Martin Monro	10,000
John Klepec	20,000

INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

The Company has executed agreements with current and former Directors and Officers in respect of indemnity, access to documents and insurance.

Subject to the Corporations Act 2001 (Cth) and Fleetwood's Constitution, Directors and Officers are indemnified against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Director or Officer of the Company, except where the liability arises out of conduct involving a lack of good faith.

The Company provides D&O insurance cover to current and former Directors and Officers. The contract of insurance prohibits disclosure of the nature of the cover, however insurance premiums paid during the financial year were $328,473 (2020: $299,183).

The access deed provides, among other things, current and former Directors and Officers with access to certain Company information during their tenure and for a period of seven years after they cease to be a Director or Officer.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an auditor of the Company or any related body corporate against liability incurred as an auditor.

PRINCIPAL ACTIVITIES

The principal activities of the entities in the Group during the financial year were:

+ design, manufacture and sale of accommodation;
+ operation of accommodation villages; and
+ import, manufacture and distribution of leading products to the recreational vehicle industry and associated services.

OPERATIONS

A review of operations for the year is contained in the Chief Executive Officer's Review on page 9 of this Report.

FINANCIAL POSITION

A summary of the financial position of the Company is disclosed on page 34 and in the Chief Executive Officer's Review.

SHARE OPTIONS, UNITS AND RIGHTS

No share units or options were issued or granted during the 2021 financial year or subsequent to year end.

Details of performance rights granted to Key Management Personnel following the 2020 Annual General Meeting are set out in the Remuneration Report.

FUTURE DEVELOPMENTS

The Company will continue to pursue increasing both profitability and market share in its major business sectors. Further information as to likely developments and expected future results are disclosed in the Chief Executive Officer's Review.

DIVIDENDS

A total dividend of 16.5 cents per share was declared with respect to the year ended 30 June 2021.

RESOLUTION OF DIRECTORS

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

On behalf of the directors

J Klepec
Non-Executive Chairman

25 August 2021
Perth

CHAIR OF THE REMUNERATION COMMITTEE'S LETTER REGARDING THE REMUNERATION REPORT

Dear Shareholders and readers of this report,

We are pleased to present Fleetwood's Remuneration Report for the year ended 30 June 2021.

Fleetwood's remuneration framework is designed to align management remuneration with shareholder returns, the principles of which are outlined in the remuneration principles section of this report.

I am pleased to be able to report that considerable progress has been made on the restructuring and future positioning of your Company. This transformation of the Company has been the result of significant commitment and hard work by Fleetwood employees across the business.

Details of the remuneration framework applying to the leadership team are transparently and comprehensively disclosed in this report.

Our objective is to implement remuneration policies that reward value creation and deliver sustainable value for Fleetwood shareholders. We believe that if investors and their advisers carefully review our accomplishments and forward plans they will endorse the effectiveness of the plans implemented thus far and those which we are proposing.

With respect to the key remuneration issues and outcomes in the 2021 financial year:

+ We did not make any underlying changes to the fixed remuneration of Non-Executive Directors during the year.
+ The STI structure has not changed in the current year.
+ The financial and non-financial component of the STI were partially met in FY21. There have been no changes to the annual incentive policy other than to develop challenging and focused objectives for the management team to deliver through the past 12 months (FY21).
+ LTI Performance Right awards were made to key management personnel as approved by shareholders at the 2018 Annual General Meeting.
+ No Performance Rights vested during the year other than to former Managing Director and CEO Brad Denison. These were vested at the discretion of the Board in respect of Mr Denison's long term service to Fleetwood.

With respect to renumeration going forward:

+ Remuneration increases will continue to be constrained but will be considered in order to compete for talent in what is a highly competitive building and infrastructure market.
+ New equity awards are being considered on the same terms as approved by shareholders at the 2018 AGM:
    + Awards with performance periods of three years;
    + 50% weighted to total shareholder return; and
    + The balance equally weighted to earnings per share growth and return on capital employed.
    + The company has taken on board feedback around vesting criteria and will change vesting conditions for the FY22 plan from absolute to relative TSR and remove cliff faced vesting and replace it with vesting on a graduated basis.

The mandate of the Remuneration Committee remains unchanged. We ask shareholders to support us as we continue to develop and implement schemes which we consider to be in their best interest whilst recognising the particular challenges of the markets in which we work and the core objectives which have been set for those people appointed to manage our businesses.

M Southey

Non-Executive Director
Chair of the Remuneration Committee

REMUNERATION REPORT (AUDITED)

The Directors of Fleetwood Limited (Fleetwood) present the Remuneration Report for Non-Executive Directors, Executive Director and other Key Management Personnel (KMP), prepared in accordance with the *Corporations Act 2001 (Cth)* and the *Corporations Regulations 2001 (Cth)*.

The Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Service agreements
4. Short term incentive included in remuneration
5. Share-based remuneration
6. Other information

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The principles of Fleetwood's executive strategy and supporting incentive programs and frameworks are:

+ to align rewards to business outcomes that deliver value to shareholders;
+ to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
+ to ensure remuneration is competitive in the relevant employment marketplace to support the attraction, motivation and retention of executive talent.

Fleetwood has structured a remuneration framework that is market competitive and aligned to the strategy of the Company.

The Board has established a Remuneration Committee, chaired by Independent Non-Executive Director Mark Southey, which operates in accordance with its charter as approved by the Board. The Committee is responsible for recommending and reviewing compensation arrangements for the Directors and the Executive Team.

The Committee has engaged independent remuneration consultants to provide necessary information to assist in the discharge of its responsibilities (refer to the disclosures below in section 1.4).

The remuneration structure adopted by the Company consists of the following components:

+ fixed remuneration, being annual salary;
+ short term incentives, being cash bonuses; and
+ long term incentives, being share-based schemes.

The Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive Team.

The payment of bonuses, performance rights and other incentives are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, shares and incentives must be linked to pre-determined performance criteria and hurdles.

During the financial year the Remuneration Committee reviewed:

+ conditions of service and remuneration of the Directors and Executives;
+ remuneration policies of the Company;
+ proposals for new issues under, or changes to, the Company's long and short term incentive plans;
+ succession plans for senior management; and
+ other related matters.

The remuneration components for each Executive are detailed below.

1.1 Total Fixed Remuneration (TFR)

TFR comprises salary and superannuation capped at the concessional contribution limit. Fixed remuneration is set with reference to role, market and relevant experience and is reviewed annually or on promotion.

1.2 Short Term Incentive (STI)

Each year Fleetwood undertakes a strategic planning process which results in a detailed 3 to 5 year strategy leading to 1-year Key Performance Indicators. Fleetwood's performance measures include the use of annual performance objectives, metrics, and continuing emphasis on Company values.

The performance measures are set annually after consultation with the Directors and Executives and are specifically tailored to the areas where each Executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The performance measures for the STI comprise a combination of individual and company specific performance targets. The weighting is 50% non-financial and 50% financial. In setting the performance measures for the STI, the Remuneration Committee is conscious to ensure that all targets are measurable and provide a challenging but meaningful incentive to participants.

Non-financial metrics are based on performance against specific individual key performance targets. Individual performance targets are derived from position descriptions, key responsibilities, key competencies and period specific objectives which are aligned with key business strategies identified annually during the business planning process and following the Board's approval of budgets.

Financial performance targets begin from Board approved budgeted or forecast EBITA and are subject to satisfactory group safety performance.

The maximum amount of these awards is based on a percentage of the Executive's TFR (which is set out in table 4). The actual STI outcomes for the year are detailed in tables 3 and 5 below.

1.3 Long Term Incentive (LTI)

Long-term incentives in the form of performance rights received by Executives are determined in accordance with the provisions of the Long Term Incentive Plan (LTI Plan), which was approved by shareholders at the 2018 Annual General Meeting (AGM). The objective of this plan is to retain and reward executives and to align their long term interests with those of shareholders.

50% of performance rights are performance tested against total shareholder return (TSR), 25% are tested against earnings per share (EPS) performance and the remaining 25% are tested against return on equity (ROE) performance over a 3 year period from a start date (Start Date) to a test date (End Date).

The TSR performance condition will be met if the Company's TSR performance is at or above 15% compound annual growth rate (CAGR) (over the period from the Start Date to the End Date).

The EPS performance condition will be met if the Company's EPS performance is at or above 15% compound annual growth rate at the End Date and the ROE performance condition will be met if the Company's ROE is at or above 12% at the End Date (subject to a maximum debt to equity ratio of 30%).

The maximum amount of LTI awards is based on a percentage of the Executive's TFR (which is set out in table 4).

Up until the implementation of the LTI Plan at the 2018 AGM, Executives participated in the Executive Share Unit Plan. The share units granted pursuant to the plan are noted and discussed in the 2018 Remuneration Report. These units vest based on a minimum 15% CAGR in TSR. The plan will remain in effect until all granted units have been exercised, forfeited or expired. No share units have been granted or issued since the introduction of the LTI Plan in 2018. Further details on the plan are contained in section 5.

1.4 Use of remuneration consultants

Fleetwood's Remuneration Committee took advice from external consultants regarding appropriate benchmarks for Director and Executive TFR.

During the year, HaRe Group provided remuneration recommendations for the Chief Financial Officer and was paid $2,000 (excluding GST) for these services.

The Reward Practice provided remuneration recommendations for Board and Executive KMPs remuneration as well as metrics and vesting conditions for FY22 LTI as defined in section 9B of the Corporations Act 2001 and was paid $4,250 (excluding GST) for these services.

HaRe Group and The Reward Practice have both confirmed that the above recommendations have been made free from undue influence by members of the Group's KMP.

Both consultants were engaged by, and reported directly to, the Chair of the Remuneration Committee, Mark Southey. The agreement was executed by the Chair of the Remuneration Committee under delegated authority on behalf of the Board.

The services were provided by both consultants directly to the Chair of the Remuneration Committee.

1.5 Voting and comments made at the Company's last Annual General Meeting

Fleetwood received 86.0% of 'yes' votes on its Remuneration Report for the financial year ending 30 June 2020. The Company received no specific feedback on its Remuneration Report at the 2020 AGM.

1.6 Consequences of performance on shareholder wealth

In considering the Company's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

Table 1: Five year snapshot of continuing operations

	2017	2018	2019	2020	2021
Share price at start of year ($)	1.91	2.36	2.27	1.70	1.60
Share price at end of year ($)	2.36	2.27	1.70	1.60	2.36
Dividend per share (cents)	5.0	1.0	-	12.0	16.5
Diluted earnings per share (cents, NPATA basis)	24.8	19.9	17.8	15.8	18.1
$ Million					
Revenue and other income	262.4	267.0	315.3	329.9	360.1
Underlying profit before interest, tax and amortisation (EBITA)	22.7	18.8	25.3	22.3	26.3

2. DETAILS OF REMUNERATION

Details of the nature and amount of each element of the remuneration of each Director and Executive of Fleetwood are shown in table 2 and table 3:

Table 2: Non-Executive Directors' Remuneration Summary

NON-EXECUTIVE DIRECTORS	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT		SHARE BASED PAYMENTS		
	SALARY & FEES $	BONUS $	NON-MONETARY $	SUPER-ANNUATION $	OTHER LONG TERM BENEFITS $	SHARE UNITS $	PERFORMANCE RIGHTS $	TOTAL $
John Klepec Chairman Non-Executive Director (Appointed 19/11/2020)								
2021	**65,871**	**-**	**-**	**6,258**	**-**	**-**	**-**	**72,129**
2020	-	-	-	-	-	-	-	-
Phillip Campbell Chairman Non-Executive Director (Resigned 28/02/2021)								
2021	**93,333**	**-**	**-**	**-**	**-**	**-**	**-**	**93,333**
2020	140,000	-	-	-	-	-	-	140,000
Jeff Dowling Non-Executive Director								
2021	**82,192**	**-**	**-**	**7,808**	**-**	**-**	**-**	**90,000**
2020	82,192	-	-	7,808	-	-	-	90,000
Adrienne Parker Non-Executive Director								
2021	**82,192**	**-**	**-**	**7,808**	**-**	**-**	**-**	**90,000**
2020	82,192	-	-	7,808	-	-	-	90,000
Mark Southey[1] Non-Executive Director								
2021	**82,192**	**-**	**-**	**7,808**	**-**	**-**	**-**	**90,000**
2020	82,192	-	-	7,808	-	-	-	90,000
Martin Monro Non-Executive Director (Appointed 01/06/2020)								
2021	**82,192**	**-**	**-**	**7,808**	**-**	**-**	**-**	**90,000**
2020	6,849	-	-	651	-	-	-	7,500
2021 Total	**487,972**	**-**	**-**	**37,490**	**-**	**-**	**-**	**525,462**
2020 Total	393,425	-	-	24,075	-	-	-	417,500

Table 2 Notes:

The current maximum aggregate fee pool for Non-Executive Directors is $600,000 per rule 15.15 of the Constitution of Fleetwood Limited. All Non-Executive Director fees were $90,000 per annum except for the Chair, who's fees are $140,000.

[1] Mark Southey provided strategic planning related consulting services independent to his role as a Non-Executive Director amounting to $4,560 during the FY21 year (FY20 $10,260).

Table 3: Executive Director and Executives Remuneration Summary

	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT	OTHER LONG TERM BENEFITS	SHARE BASED PAYMENTS		
EXECUTIVE DIRECTOR AND OFFICERS	**SALARY & FEES $**	**BONUS $**	**NON-MONETARY $**	**SUPER-ANNUATION $**	**$**	**SHARE UNITS $**	**PERFORMANCE RIGHTS $**	**TOTAL $**
Brad Denison[1] Chief Executive Officer, Managing Director (Resigned 04/05/2021)								
2021	**626,532**	**-**	**18,710**	**22,917**	**16,693**	**8,806**	**250,943**	**944,601**
2020	572,907	-	27,093	25,000	9,628	35,931	83,960	754,519
Andrew Wackett Interim Chief Executive Officer, Chief Financial Officer, Company Secretary								
2021	**380,588**	**106,957**	**-**	**21,694**	**10,866**	**2,201**	**37,229**	**559,535**
2020	333,997	-	-	21,003	5,545	12,057	37,758	410,360
Elizabeth Maynard General Counsel, Company Secretary								
2021	**268,306**	**93,652**	**-**	**21,694**	**4,455**	**-**	**29,543**	**417,650**
2020	263,598	-	-	21,615	5,043	-	30,016	320,272
Jason Kunkler Chief Operating Officer - Building Solutions (Appointed 02/06/2020)								
2021	**423,306**	**89,000**	**-**	**21,694**	**6,408**	**-**	**18,463**	**558,871**
2020	33,139	-	-	2,803	375	-	-	36,317
Manuel Larre Chief Operating Officer - RV Solutions								
2021	**290,222**	**143,100**	**-**	**25,000**	**4,449**	**2,642**	**33,691**	**499,104**
2020	297,307	-	-	23,883	4,657	10,117	34,175	370,139
Dominic Letts Chief Operating Officer - Accommodation Solutions								
2021	**281,000**	**104,040**	**-**	**25,000**	**4,153**	**881**	**32,420**	**447,494**
2020	280,724	100,000	-	25,000	4,675	3,593	32,885	446,877
2021 Total	**2,269,954**	**536,749**	**18,710**	**137,999**	**47,024**	**14,530**	**402,289**	**3,427,255**
2020 Total	1,781,672	100,000	27,093	119,304	29,923	61,698	218,794	2,338,484

Table 3 Notes:

[1] Brad Denison's salary and fees includes $138,462 in redundancy benefits. There was no adjustment to Brad's TFR in either FY20 or FY21. The board used its discretion to vest 132,000 share units and 243,347 performance rights. Statutory long service and annual leave benefits totalling $371,928 were also paid to Brad during the year.

[2] Andrew Wackett served as both Chief Financial Officer and Interim Chief Executive Officer from 27 November 2020 until 30 June 2021 and was awarded increased TFR to reflect his increased responsibilities.

Included in salary and fees are amounts of annual leave accrued during the reporting period. There are no post-employment benefits other than superannuation. Executive contracts do not provide for any termination payments, other than the payment of accrued leave entitlements. Other long term benefits comprise long service leave entitlements accrued to the Executive during the reporting period.

STI outcomes are explained in detail in table 5.

The amount included in remuneration as share-based payments are not related to or indicative of the benefits (if any) that individual executives may ultimately realise should the equity instruments vest.

3. SERVICE AGREEMENTS

The remuneration and other terms of employment for the Executive KMP are covered under individual employment contracts. All employment contracts are for unlimited duration and carry no termination payments other than statutory entitlements. The Executive's TFR is subject to annual review with no obligation on the Company to make changes.

Each Executive KMP employment contract includes provisions requiring the Executive to maintain the confidentiality of Company information, provides for leave entitlements, in accordance with relevant legislation and restraint of trade provisions for a period after termination of employment.

Specific details relating to each Executive KMP are as follows:

Table 4: Executive Service Agreements

KEY MANAGEMENT PERSONNEL	TFR	STIP %	LTIP %	NOTICE PERIOD
Brad Denison (Resigned 04/05/2021)	625,000	50%	50%	6 months
Andrew Wackett	435,000	40%	40%	3 months
Elizabeth Maynard	290,000	40%	40%	3 months
Jason Kunkler (Appointed 02/06/2020)	445,000	40%	40%	3 months
Manuel Larre	318,000	40%	40%	3 months
Dominic Letts	306,000	40%	40%	3 months

The Remuneration Committee determines remuneration for all KMP listed under the guidelines contained in section 1 of this Remuneration Report.

4. SHORT TERM INCENTIVE INCLUDED IN REMUNERATION

Details of the STI cash bonuses awarded as remuneration to each KMP, the percentage of the available bonus that was paid in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below. No part of the bonus is payable in future years.

Table 5: STI summary

KEY MANAGEMENT PERSONNEL	INCLUDED IN REMUNERATION	TOTAL AVAILABLE STI %	EARNED %	FORFEITED %
Brad Denison (Resigned 04/05/2021)	-	50%	0%	50%
Andrew Wackett	106,957	40%	62%	38%
Elizabeth Maynard	93,652	40%	80%	20%
Jason Kunkler (Appointed 02/06/2020)	89,000	40%	50%	50%
Manuel Larre	143,100	40%	50%	50%
Dominic Letts	104,040	40%	70%	30%

A description of the STI criteria is detailed in section 1.2 of this report.

Andrew Wackett was awarded an STI of $106,957. $41,707 related to the achievement of the EBITA outcome for the group and $65,250 for non-financial KPI outcomes mainly related to the Company's re-entry into the affordable housing market and contract performance outcomes.

Elizabeth Maynard was awarded an STI of $93,652. $27,804 related to the achievement of the EBITA outcome for the group and $65,848 for non-financial outcomes related to strategic legal and contract performance outcomes.

Jason Kunkler was awarded an STI of $89,000. $0 related to the Building Solutions EBITA outcome and $89,000 for non-financial outcomes related to strategy implementation, business restructuring and contract performance outcomes.

Manuel Larre was awarded an STI of $143,100. $63,600 related to the achievement of the EBITA outcome for RV Solutions. In addition to his STI he was awarded $79,500 for non-financial outcomes related to the strategic review of the RV Solutions business. This was negotiated with Mr Larre during the period and before commencement of the review.

Dominic Letts was awarded an STI of $104,040. $61,200 related to the achievement of the EBITA outcome for Accommodation Services and $42,840 for non-financial outcomes related to the company's re-entry into the affordable housing market and development of the Group's Government Relationship strategy. Mr Letts was awarded an STI of $100,000 in FY20, 60% as a result of the strong performance of the Accommodation Solutions business and 40% for non-financial outcomes principally relating to contractual variations with a customer.

5. SHARE-BASED REMUNERATION

Fleetwood currently has two share based long term incentive plans, one of which is no longer in use. These are summarised below:

- FY19-FY21: LTI Performance Rights Plan. Key terms discussed in section 1.3 of this report. An expense of $645,733 was recorded in the FY21 accounts for this plan. KMP holdings of share rights under this plan are detailed in table 9.

- FY15-FY18: Share Units Plan. No longer in use. The final grant date in relation to this plan was made on 20 December 2017 with a 5 year vesting period. An accounting expense of $18,052 was recorded in the FY21 accounts for this plan. KMP holdings of share units under this plan are detailed in table 10.

Details of performance rights over ordinary shares in the Company that were granted as remuneration to each KMP are set out in the table below. Non-Executive Directors are not entitled to participate in the LTI Performance Rights Plan.

Table 6: FY19-FY21 LTI Performance Rights Plan summary

KEY MANAGEMENT PERSONNEL	PLAN	GRANT DATE	NO. AT GRANT DATE	VALUE AT GRANT DATE	NO. UNITS VESTED DURING THE YEAR	VESTING DATE	VALUE OF PERFORMANCE RIGHTS INCLUDED IN REMUNERATION
Brad Denison	FY19	01/07/18	146,028	287,675	146,028	30/06/21	166,920
	FY20	01/07/19	173,784	378,849	97,319	30/06/22	84,023
	FY21	01/07/20	-	-	-	30/06/23	-
Andrew Wackett	FY19	01/07/18	66,355	130,720	-	30/06/21	10,489
	FY20	01/07/19	77,855	169,724	-	30/06/22	12,219
	FY21	01/07/20	86,420	186,667	-	30/06/23	14,522
Elizabeth Maynard	FY19	01/07/18	46,729	92,056	-	30/06/21	7,386
	FY20	01/07/19	64,508	140,627	-	30/06/22	10,124
	FY21	01/07/20	71,605	154,667	-	30/06/23	12,032
Jason Kunkler	FY19	01/07/18	-	-	-	30/06/21	-
(Appointed 02/06/2020)	FY20	01/07/19	-	-	-	30/06/22	-
	FY21	01/07/20	109,877	237,334		30/06/23	18,463
Manuel Larre	FY19	01/07/18	59,439	117,095	-	30/06/21	9,395
	FY20	01/07/19	70,737	154,207	-	30/06/22	11,102
	FY21	01/07/20	78,519	169,601	-	30/06/23	13,194
Dominic Letts	FY19	01/07/18	57,196	112,677	-	30/06/21	9,041
	FY20	01/07/19	68,068	148,388	-	30/06/22	10,683
	FY21	01/07/20	75,556	163,201	-	30/06/23	12,696
Total	FY19	01/07/18	375,747	740,223	146,028	30/06/21	203,231
	FY20	01/07/19	454,952	991,795	97,319	30/06/22	128,151
	FY21	01/07/20	421,977	911,470	-	30/06/23	70,907

5.1 Valuation assumptions for the FY19-FY21 LTI (Performance Rights Plan)

The estimation of the fair value of share-based payment awards requires judgement concerning the appropriate valuation methodology. The choice of valuation methodology is determined by the structure of the awards, particularly the vesting conditions.

A Monte-Carlo simulation valuation methodology was used to determine the value relative to TSR growth. The valuation methodology used was chosen from those available to incorporate an appropriate amount of flexibility with respect to the particular performance and vesting conditions of the award.

The value recognised in the period for each KMP has been recognised straight-line over the vesting term in line with accounting standards. For those portions of the granted rights with non-market vesting conditions, values have been estimated based on the number of units expected to vest.

Key inputs to the model are detailed below.

Table 7: Key inputs to FY19-FY21 LTI Valuation

GRANT DATE	EXPIRY DATE	VESTING TRANCHE	VOLATILITY %	DIVIDEND YIELD %	RISK FREE INTEREST RATE %	SHARE PRICE AT GRANT DATE $	FAIR VALUE AT GRANT DATE $
01/07/18	30/06/21	1	53.66	2.50	2.24	1.97	0.72
01/07/19	30/06/22	1	54.11	0.00	1.97	2.18	0.82
01/07/20	30/06/23	1	50.82	00.0	1.58	2.16	0.72

5.2 Valuation assumptions for the FY15-FY18 LTI (Share Units Plan)

The fair value at grant date for KMP share units, is determined under option pricing methodology using a Monte-Carlo simulation model. The expected volatility is based on historical share price volatility over the past five years. The risk-free interest rate and dividend yield have been assessed based on prevailing market conditions.

Key inputs to the model are as follows:

Table 8: Key inputs to FY2015-2018 LTI Valuation

GRANT DATE	EXPIRY DATE	VESTING TRANCHE	VOLATILITY %	DIVIDEND YIELD %	RISK FREE INTEREST RATE %	FAIR VALUE AT GRANT DATE $	EXERCISE PRICE $	WEIGHTED AVERAGE SHARE PRICE AT GRANT DATE $
18/12/15	18/12/20	1	50.21	3.20	1.73	0.46	1.22	1.22
		2	50.21	3.20	1.73	0.42	1.22	1.22
		3	50.21	3.20	1.73	0.37	1.22	1.22
20/12/16	18/12/21	1	49.48	3.20	2.33	0.82	1.94	1.94
		2	49.48	3.20	2.33	0.74	1.94	1.94
		3	49.48	3.20	2.33	0.68	1.94	1.94
12/06/17	12/06/22	1	49.48	1.90	2.53	0.91	2.19	2.19
		2	49.48	1.90	2.53	0.83	2.19	2.19
		3	49.48	1.90	2.53	0.72	2.19	2.19
20/12/17	20/12/22	1	51.84	1.80	2.43	1.21	2.84	2.84
		2	51.84	1.80	2.43	1.12	2.84	2.84
		3	51.84	1.80	2.43	1.01	2.84	2.84

6. OTHER INFORMATION

6.1 Performance rights held by KMP (FY19-FY21 LTI)

The number of performance rights to acquire shares in the Company held during the 2021 reporting period by each of the KMP of the Group; including their related parties are set out below. No performance rights were held by the Directors, except for the former Managing Director and Chief Executive Officer, Brad Denison. As noted in the footnote to table 3, the Board exercised its discretion to vest 146,028 of the 2019 and 97,319 of the 2020 performance rights plans reflecting Mr Denison's long term contribution to the company.

Table 9: Details of performance right holdings of KMP

PERFORMANCE RIGHTS	RIGHTS AT BEGINNING OF YEAR NO.	GRANTED AS REMUNERATION NO.	VESTED DURING THE YEAR NO	FORFEITED NO.	RIGHTS AT END OF YEAR NO.
DIRECTOR					
Brad Denison (Resigned 04/05/2021)					
2021	**319,812**	**-**	**(243,347)**	**(76,465)**	**-**
2020	146,028	173,784	-	-	319,812
EXECUTIVES					
Andrew Wackett					
2021	**144,210**	**86,420**	**-**	**(66,355)**	**164,275**
2020	66,355	77,855	-	**-**	144,210
Elizabeth Maynard					
2021	**111,237**	**71,605**	**-**	**(46,729)**	**136,113**
2020	46,729	64,508	-	-	111,237
Jason Kunkler (Appointed 02/06/2020)					
2021	**-**	**109,877**	**-**	**-**	**109,877**
2020	-	-	-	-	-
Manuel Larre					
2021	**130,176**	**78,519**	**-**	**(59,439)**	**149,256**
2020	59,439	70,737	-	-	130,176
Dominic Letts					
2021	**125,264**	**75,556**	**-**	**(57,196)**	**143,624**
2020	57,196	68,068	-	-	125,264
2021 Total	**830,699**	**421,977**	**(243,347)**	**(306,184)**	**703,145**
2021 Total	375,747	454,952	-	-	830,699

6.2 Share units held by KMP (FY15-FY18 LTI)

The number of share units to acquire shares in the Company held during the 2021 reporting period by each of the KMP of the Company; including their related parties are set out below. No share units are held by the Directors, except for the former Managing Director and Chief Executive Officer, Brad Denison. As noted in the footnote to table 3, the Board exercised its discretion to vest 132,000 share units reflecting Mr Denison's long term contribution to the company.

Table 10: Details of share unit holdings of KMP

SHARE UNITS	UNITS AT BEGINNING OF YEAR NO.	GRANTED AS REM. NO.	FORFEITED NO.	EXERCISED NO.	UNITS AT END OF YEAR NO.	VESTED DURING THE YEAR NO.	VESTED AT END OF YEAR NO.	PROCEEDS RECEIVED ON EXERCISE $
DIRECTOR								
Brad Denison								
2021	**770,000**	**-**	**(200,000)**	**(570,000)**	**-**	**132,000**	**-**	**593,157**
2020	770,000	-	-	-	770,000	-	438,000	-
EXECUTIVES								
Andrew Wackett								
2021	**110,000**	**-**	**-**	**-**	**110,000**	**-**	**-**	**-**
2020	110,000	-	-	-	110,000	-	-	-
Manuel Larre								
2021	**155,000**	**-**	**-**	**-**	**155,000**	**-**	**71,900**	**-**
2020	155,000	-	-	-	155,000	-	71,900	-
Dominic Letts								
2021	**73,200**	**-**	**-**	**-**	**73,200**	**-**	**46,800**	**-**
2020	73,200	-	-	-	73,200	-	46,800	-
2021 Total	**1,108,200**	**-**	**(200,000)**	**(570,000)**	**338,200**	**132,000**	**118,700**	**593,157**
2020 Total	1,108,200	-	-	-	1,108,200	-	556,700	-

6.3 Loans to KMP (FY15-FY18 LTI)

Loans to KMP in connection with the FY15-FY18 LTI totalling $1,044,134 (2020: $3,129,520) were outstanding at the end of the reporting period. The value of shares in the Company held by the Share Trust exceeded the balance of loans outstanding at the end of the reporting period. The loans are non-recourse, there is no fixed term, and no allowance for doubtful debts or impairment loss has been recognised against them.

Brad Denison had loans totalling nil (2020: $1,426,910) made to him at the end of the reporting period, with the previous period loan repaid at the end of the reporting period in connection with the LTIP. The loan was non-recourse, of no fixed term, and no allowance for doubtful debts or impairment loss was recognised against it.

6.4 Other transactions with KMP

There were no other transactions with KMP during the period.

END OF AUDITED REMUNERATION REPORT.

DIRECTORS' DECLARATION

In the opinion of the directors of Fleetwood Limited:

a) The financial statements and notes set out on pages 33 to 70, are in accordance with the Corporations Act (Cth) 2001, including:

    i. Complying with Australian Accounting Standards and the Corporations Regulations 2001 (Cth); and

    ii. Giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

b) 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

c) There are reasonable grounds to believe that the Company and the companies to which the ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 applies, as detailed in note 23 to the financial statements will, as a Group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

The Directors' draw attention to note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

The Directors have been given the declarations required by s.295A of the Corporations Act (Cth) 2001 from the CEO and CFO.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

J Klepec

Non-Executive Chairman

25 August 2021
Perth

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Auditor's Independence Declaration

To the Directors of Fleetwood Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Fleetwood Limited for the 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 audit; and

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M Dewhurst

M D Dewhurst
Partner – Audit & Assurance

Perth, 25 August 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	CONSOLIDATED 2021 $ '000	2020 $ '000
Continuing operations			
Sales revenue	2	353,604	324,866
Fair value gain on contingent consideration		1,357	1,750
Government subsidies (JobKeeper)	1.7	3,235	1,652
Other income		1,887	1,654
Materials used		(138,851)	(108,598)
Sub-contract costs		(88,817)	(92,784)
Employee benefits	3	(57,059)	(57,672)
Rent expense	20	(948)	(760)
Impairment of goodwill	14	-	(13,845)
Other expenses		(31,886)	(31,953)
Profit before interest, tax, depreciation and amortisation (EBITDA)		**42,522**	**24,310**
Depreciation	3	(16,223)	(15,866)
Profit before interest, tax and amortisation (EBITA)		**26,299**	**8,444**
Amortisation of contract intangible	15	(3,838)	(4,174)
Profit before interest and tax (EBIT)		**22,461**	**4,270**
Finance costs	3	(1,285)	(1,400)
Profit before income tax expense		**21,176**	**2,870**
Income tax expense	4	(6,570)	(4,690)
Profit (loss) from continuing operations		**14,606**	**(1,820)**
Loss from discontinued operations	29	(1,269)	(1,000)
Profit (loss) for the year	7, 21	**13,337**	**(2,820)**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Net exchange difference - foreign controlled entities (net of tax)	21	(105)	(75)
Total comprehensive profit (loss) for the year		**13,232**	**(2,895)**

EARNINGS (LOSS) PER SHARE	NOTE	CENTS	CENTS
Basic earnings (loss) per share			
Continuing operations		15.4	(1.9)
Discontinued operations		(1.3)	(1.1)
Total	7	**14.1**	**(3.0)**
Diluted earnings (loss) per share			
Continuing operations		15.3	(1.9)
Discontinued operations		(1.3)	(1.1)
Total	7	**14.0**	**(3.0)**

To be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		CONSOLIDATED	
	NOTE	2021 $ '000	2020 $ '000
Current assets			
Cash and cash equivalents	8	57,567	65,726
Trade and other receivables	9	51,182	49,330
Interest bearing receivables	10	8,698	-
Contract assets	9	27,349	12,837
Inventories	11	26,522	25,138
Other financial assets	24	2	-
Tax assets		-	1,342
Non-current assets held for sale	12	1,147	3,191
Total current assets		**172,467**	**157,564**
Non-current assets			
Trade and other receivables	9	2,992	5,429
Property, plant and equipment	13	39,843	45,005
Right-of-use assets	20	30,883	23,037
Goodwill	14	72,066	72,066
Intangible assets	15	9,500	13,032
Deferred tax assets	4	7,717	7,590
Total non-current assets		**163,001**	**166,159**
Total assets		**335,468**	**323,723**
Current liabilities			
Trade and other payables	16	54,904	46,480
Contract liabilities	16	12,947	15,721
Lease liabilities	20	7,131	7,082
Tax liabilities		4,926	608
Provisions	17	8,143	8,896
Other financial liabilities	24	-	325
Total current liabilities		**88,051**	**79,112**
Non-current liabilities			
Lease liabilities	20	24,246	16,122
Provisions	17	706	603
Earn out liability	24	-	1,357
Total non-current liabilities		**24,952**	**18,082**
Total liabilities		**113,003**	**97,194**
Net assets		**222,465**	**226,529**
Equity			
Issued capital	21	253,726	255,054
Reserves	21	(1,866)	(2,823)
Retained earnings	21	(29,395)	(25,702)
Total equity		**222,465**	**226,529**

To be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

CONSOLIDATED	ISSUED CAPITAL $ '000	SHARE PLAN RESERVE $ '000	FOREIGN CURRENCY TRANSLATION RESERVE $ '000	RETAINED EARNINGS $ '000	TOTAL $ '000
Balance at 30 June 2019	**254,528**	**(3,188)**	**440**	**(22,882)**	**228,898**
Loss for the year	-	-	-	(2,820)	(2,820)
Exchange differences arising on translation of foreign operations	-	-	(75)	-	(75)
Total comprehensive loss for the year	-	-	(75)	(2,820)	(2,895)
Share-based payments	526	-	-	-	526
Balance at 30 June 2020	**255,054**	**(3,188)**	**365**	**(25,702)**	**226,529**
Profit for the year	-	-	-	13,337	13,337
Share plan settlements	-	1,062	-	-	1,062
Exchange differences arising on translation of foreign operations	-	-	(105)	-	(105)
Total comprehensive (profit) loss for the year	-	1,062	(105)	13,337	14,294
Dividends paid to shareholders	-	-	-	(17,030)	(17,030)
Share buy-back	(1,681)	-	-	-	(1,681)
Share-based payments	353	-	-	-	353
Balance at 30 June 2021	**253,726**	**(2,126)**	**260**	**(29,395)**	**222,465**

To be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	CONSOLIDATED 2021 $ '000	CONSOLIDATED 2020 $ '000
Cash flows from operating activities			
Receipts in the course of operations		393,495	366,474
Payments in the course of operations		(370,076)	(319,948)
Government subsidies received (JobKeeper)		3,884	1,016
Interest received		195	910
Income taxes refunded (paid)		489	(398)
Finance costs paid		(1,287)	(1,410)
Net cash provided by operating activities	8	**26,700**	**46,644**
Cash flows from investing activities			
Acquisition of property, plant and equipment	13	(6,032)	(8,290)
Proceeds from sale of non-current assets		5,367	4,276
Payment for intangible assets	15	(648)	(2,478)
Payment for acquisition of subsidiary		-	(867)
Net cash used in investing activities		**(1,313)**	**(7,359)**
Cash flows from financing activities			
Proceeds from borrowings		-	20,000
Repayment of borrowings		-	(20,018)
Project finance advance		(8,698)	-
Dividends paid to shareholders		(17,030)	-
Share plan loan repayment		1,062	-
Share buy back		(1,681)	-
Repayment of lease liabilities		(7,203)	(7,181)
Net cash used in financing activities		**(33,550)**	**(7,199)**
Net increase (decrease) in cash and cash equivalents		(8,163)	32,086
Cash and cash equivalents at the beginning of the financial year		65,726	33,635
Effect of exchange rate changes on cash held in foreign currencies		4	5
Cash and cash equivalents at the end of the financial year	8	**57,567**	**65,726**

To be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

SUMMARY OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BUSINESS PERFOMANCE	BALANCE SHEET	FINANCING	CAPITAL	GROUP STRUCTURE	OTHER
2. SALES REVENUE	**8.** CASH AND CASH EQUIVALENTS	**18.** INTEREST BEARING LOANS AND BORROWINGS	**6.** DIVIDEND INFORMATION	**23.** DEED OF CROSS GUARANTEE	**22.** AUDITORS REMUNERATION
3. EXPENSES	**9.** TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS	**19.** FINANCING ARRANGEMENTS	**21.** EQUITY AND RESERVES	**26.** CONTROLLED ENTITIES	**24.** FINANCIAL RISK MANAGEMENT
4. TAX EXPENSE	**10.** INTEREST BEARING RECEIVABLES	**20.** RIGHT-OF-USE ASSETS AND LEASE LIABILITIES		**28.** PARENT ENTITY DISCLOSURES	**25.** CONTINGENT LIABILITIES
5. SEGMENT INFORMATION	**11.** INVENTORIES			**29.** DISCONTINUED OPERATIONS	**27.** RELATED PARTIES
7. EARNINGS PER SHARE	**12.** NON-CURRENT ASSETS HELD FOR SALE				**30.** SUBSEQUENT EVENTS
	13. PROPERTY, PLANT AND EQUIPMENT				
	14. GOODWILL				
	15. INTANGIBLE ASSETS				
	16. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES				
	17. PROVISIONS				

1. ABOUT THIS REPORT

The significant general policies which have been adopted in the preparation of this financial report are:

1.1 STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001 (Cth)*, Accounting Standards and Interpretations, and complies with other requirements of the law. Compliance with Australian Accounting Standards ensures the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards. The Company is a for profit entity and the financial statements comprise the consolidated financial statements of the Group.

The financial statements were authorised for issue by the directors on 25 August 2021.

New and revised Standards and Interpretations adopted during the reporting period

The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the IFRS Interpretations Committee (IFRIC) that are relevant to its operations and effective for the current annual reporting period.

IFRIC has published two agenda decisions clarifying how arrangements in respect of a specific part of cloud technology, Software-as-a-Service (SaaS), should be accounted for. The Company has taken the guidance for cloud computing into account for the year ended 30 June 2021 with no significant impact on the current or prior periods.

Adoption of the following standards does not have a significant impact on the amounts reported for the current and prior period.

STANDARD	EFFECTIVE FOR REPORTING PERIODS BEGINNING ON OR AFTER:	APPLIED IN THE YEAR ENDED:
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	30 June 2021
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	30 June 2021
AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020	30 June 2021
AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions	1 June 2020	30 June 2021

1.2 BASIS OF PREPARATION

The financial report has been prepared on the basis of historical costs, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Cost is generally based on the fair values of the consideration given in exchange for assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 or value in use in AASB 136. Accounting policies have been consistently applied and except where there are changes in accounting policy, are consistent with those of the previous year. All amounts are presented in Australian Dollars unless otherwise noted.

The Company has applied the relief available to it under ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016 / 191 and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest $1,000, or in certain cases, the nearest dollar.

1.3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. All subsidiaries have a reporting date of 30 June.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders, potential voting rights held by the Company, other vote holders or other parties, rights arising from other contractual arrangements, and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings. Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company even if this results in the non-controlling interests having a deficit balance.

1. ABOUT THIS REPORT (CONT'D)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

When the Company loses control of a subsidiary, a gain or loss is recognised in the profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 'Financial Instruments' or, when applicable, the cost on initial recognition of an investment in an associate.

1.4 TAX CONSOLIDATION

The Company and its wholly-owned Australian resident entities elected from 1 July 2003 to be taxed as a single entity.

Fleetwood Limited, as the head entity, and the subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. The amounts are measured as if each entity continues to be a stand-alone taxpayer in its own right. The current tax balances are then transferred to the head entity via intercompany balances. The entities within the Company have entered a tax funding arrangement whereby each subsidiary will compensate the head entity for the amount of tax payable that would be calculated as if the subsidiary was a tax paying entity.

The method used to calculate current and deferred tax amounts is summarised in note 4.

1.5 FOREIGN CURRENCY

Functional currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each group entity are expressed in Australian Dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rate of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of profit or loss in the financial year in which they arise.

Translation of controlled foreign operations

The assets and liabilities of foreign operations, including subsidiaries, are translated at the rates of exchange ruling at balance date. Equity items are translated at historical rates. Exchange differences arising from translation are taken directly to the foreign currency reserve until disposal or partial disposal of the operations. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognised in other comprehensive income and accumulated in equity.

1.6 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of accounting policies, management is required to make judgments, estimates and assumptions. The estimates and associated assumptions are based on experience and other factors that are considered relevant. Actual results may differ from these estimates.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

+ We have considered the impact of COVID-19 in the relevant areas of the financial statements. These include asset impairment calculations, carrying value of inventory and recognition and collectability of revenue. Further details are contained below and in the notes pertaining to these items.
+ Accounting for construction contracts involves the continuous use of assessed estimates based on assumptions consistent with project scope and schedule, contract and risk management processes. Contracts may span over more than one accounting period. Estimates of forecast costs are regularly updated in accordance with the agreed work scope and schedule under the contract. Forecasts are based on the cost expected to apply when the related activity is undertaken. Contingencies are included in order to cover the risks in those forecasts. Forecast costs are used to determine revenue recognition over time as described in note 2. Revenues reflect the price agreed in the contract and variations where they have been approved or if it is probable they will be approved. Claims are included in contract revenue only where negotiations have reached an advanced stage such that it is probable that the client will accept the claim and recovery of the amount involved is probable.
+ Determining whether goodwill and other intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which these assets have been allocated except where fair value less cost to sell has been applied. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Details of goodwill and the subsequent testing for impairment are set out in note 14. Details of other intangible assets are set out in note 15. Where the actual future cash flows are less than expected, a material impairment loss may arise.

1. ABOUT THIS REPORT (CONT'D)

+ The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of share rights and share units issued during the year. Refer to note 3.
+ Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling price. The Company is generally pro-active in identifying and stopping orders on slow moving or discontinued items such that these items are not carried at material amounts.

1.7 GOVERNMENT GRANTS RECOGNITION AND MEASUREMENT

Government grants and subsidies are recognised where there is reasonable assurance that they will be received and all attached conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the Company receives grants or subsidies of non-monetary assets, the asset and the grant/subsidy are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

1.8 GENERAL INFORMATION

Fleetwood Limited is a public company listed on the Australian Securities Exchange (trading under the symbol 'FWD'), incorporated in Australia and operating in Australia and New Zealand.

The registered and business address of the Company is 21 Regal Place, East Perth, Western Australia. The telephone number of the Company is (08) 9323 3300.

2. SALES REVENUE

	CONSOLIDATED	
	2021	**2020**
CONTINUING OPERATIONS	**$ '000**	**$ '000**
Sales revenue		
Recognised at a point in time:		
RV Solutions	68,203	60,663
Total revenue recognised at a point in time	68,203	60,663
Recognised over time:		
Building Solutions	247,081	220,590
Accommodation Solutions	38,320	43,613
Total revenue recognised over time	285,401	264,203
Total sales revenue	**353,604**	**324,866**

RECOGNITION AND MEASUREMENT

SALES REVENUE

Revenue from contracts with customers primarily arises from the following streams:

RV Solutions segment:

+ The shipment of recreational vehicle parts and accessories;
+ the installation of vehicle parts and accessories; and
+ repairs and maintenance services of customers' vehicles.

Building Solutions segment:

+ The construction of modular accommodation units sold to customers; and
+ the hiring of modular accommodation units on short-term contracts.

Accommodation Solutions segment:

+ Hiring of Group-owned accommodation units; and
+ management fees for a village that was built by the Company and previously sold to a customer.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

The transaction price is the fair value of consideration received or receivable net of goods and services tax (GST).

2. SALES REVENUE (CONT'D)

RV Solutions

Revenue from the sale of parts and services is for a fixed fee and recognised at a point in time. Recognition occurs when the Company transfers control of the asset to the customer.

For parts and services, transfer of control of the asset to the customer is the date of receipt of the customer for the good or where the Company is providing a service such as installation, repairs or maintenance, recognition is the date in which the customer drives away with the installed or repaired product.

The sale of parts and services are accompanied by standard manufacturer's warranty arrangements, of which are not separately or incrementally paid for by the customer. Under these conditions, customers can return product for repair or replacement if it fails to perform in accordance with published specifications.

Building Solutions

The Company enters into contracts for the construction of modular accommodation units in exchange for a fixed fee and recognises the related revenue over time. Many of the Company's contracts comprise the construction of several accommodation units each representing performance obligations under the contract. The Company evaluates the separability of each good or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

+ the customer benefits from the item either on its own or together with other readily available resources; and
+ it is 'separately identifiable' (i.e. the Company does not provide a significant service integrating, modifying or customising it).

The transaction price for a contract excludes any amounts collected on behalf of third parties.

To depict the progress by which the Company transfers control of a build to the customer, and to establish when and to what extent revenue can be recognised, the Company measures its progress towards complete satisfaction of the performance obligation by comparing actual costs spent to date with the total estimated costs required to construct each unit. This cost-to-cost basis provides the most faithful depiction of the transfer of goods and services to each customer due to the Company's ability to make reliable estimates of the total costs required to perform, arising from its significant historical experience constructing similar units.

In addition to the fixed fee, some contracts include bonus payments which the Company can earn by completing a project in advance of a targeted delivery date. At inception of each contract, the Company begins by estimating the amount of the bonus to be received using the "most likely amount" approach. This amount is then included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty surrounding the bonus is resolved. In making this assessment, the Company considers its historical record of performance on similar contracts, whether the Company has access to the labour and materials resources needed to exceed the agreed-upon completion date, and the potential impact of other reasonably foreseen constraints.

Most such arrangements include detailed customer payment schedules. When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises a contract asset in its statement of financial position.

The construction of accommodation units typically takes between 6–12 months from commencement of design through to completion and delivery. In some situations, customer payments will be received over a period of one year or more. In these circumstances, the Company adjusts the transaction price used in determining revenue recognition by the effects of financing.

In obtaining these contracts, the Company incurs a number of incremental costs, such as commissions paid to sales staff. The Company recognises such incremental costs as a contract asset if it expects to recover those costs from the customer. The contract asset is then amortised on a systematic basis consistent with the transfer to the customer the good or service to which the contract asset relates.

However, as noted above, the amortisation period of these costs, if capitalised, would be less than one year, and thus the Company makes use of the practical expedient in AASB 15.94 and expenses them as they occur.

Accommodation Solutions

The Company rents its owned accommodation units to customers and recognises revenue over time based on either fixed or variable daily rental rates depending on whether formal arrangements with customers exist. Revenue for these transactions is therefore recognised over time based on monthly billing in arrears for daily accommodation services provided. In this respect, the Company has a right to the consideration and the amount billed corresponds directly with the value to the customer for the Company's performance completed to date.

For Osprey which the Company manages on behalf of its customer, revenue is recognised over time based on a fixed management fee billed to the customer as per the management contract. Revenue is therefore recognised upon billing as that timing corresponds directly with the value to the customer for the Company's performance completed to date

2. SALES REVENUE (CONT'D)

Discontinued Operations

The following revenue recognition policies pertain to segments that are now part of discontinued operations. Refer to note 29.

Caravan manufacturing operations:

+ Revenue from the sale of caravans is for a fixed fee and recognised at a point in time;
+ Recognition occurs when the Company transfers control of the asset to the end customer;
+ Control is considered transferred on the date of receipt of the van by the end customer.

Resource Sector Rental operations:

+ This discontinued segment recognises revenue at a point in time when the rental units are sold, and the assets are received by the customer.
+ The sale proceeds are included in revenues and the written down value of the asset on the date of disposal is charged to expense.

3. EXPENSES

Expenses from continuing operations contain the following:

		CONSOLIDATED	
		2021	2020
CONTINUING OPERATIONS	NOTE	$ '000	$ '000
Cost of sales		**257,402**	**235,211**
Employee benefits			
Salaries and wages		52,271	52,863
Equity settled share-based payments		353	526
Defined contribution superannuation		4,435	4,283
		57,059	**57,672**
Depreciation and amortisation of:			
Buildings	13	33	34
Leasehold improvements	13	653	81
Plant and equipment	13	7,421	7,964
Product development	15	324	274
ERP software	15	480	452
Right-of-use assets	20	7,312	7,061
		16,223	**15,866**
Finance costs:			
Financing arrangements		713	770
Lease liabilities		572	630
		1,285	**1,400**

3. EXPENSES (CONT'D)

EQUITY SETTLED SHARE-BASED PAYMENTS

Employee Plan

A scheme under which rights to acquire ordinary shares may be issued by the Company to employees for no consideration was approved by shareholders at the 2014 annual general meeting. Employees who have been continuously employed by the Company for at least one year are eligible to participate in the scheme. Employees will be issued shares in Fleetwood Limited upon the exercise of rights. One third of the rights are exercisable one year from the date of issue and a further one third of the rights are exercisable in each of the next two years. One share right represents one Fleetwood Limited share. There are no voting rights or dividend entitlements attaching to the rights. No amount is payable upon exercise of the rights and shares issued upon exercise rank equally with existing shares on the ASX.

Executive Plans

Long Term Incentive (LTI)

Long-term incentives in the form of performance rights received by Executives are determined in accordance with the provisions of the Executive Long Term Incentive Plan (LTI Plan), which was approved by shareholders at the 2018 Annual General Meeting (AGM). The objective of this plan is to retain and reward executives and to align their long term interests with those of shareholders.

50% of performance rights are performance tested against total shareholder return (TSR) performance, 25% are tested against earnings per share (EPS) performance and the remaining 25% are tested against return on equity (ROE) performance over a 3-year period from a start date (Start Date) to a test date (End Date).

The TSR performance condition will be met if the Company's TSR performance is at or above 15% compound annual growth rate (CAGR) (over the period from the Start Date to the End Date).

The EPS performance condition will be met if the Company's EPS performance is at or above 15% compound annual growth rate at the End Date and the ROE performance condition will be met if the Company's ROE is at or above 12% at the End Date (subject to a maximum debt to equity ratio of 30%).

The maximum amount of LTI awards is based on a percentage of the Executive's Total Fixed Remuneration (TFR).

Up until the implementation of the LTI Plan at the 2018 AGM, Executives participated in the Executive Share Unit Plan. The share units granted pursuant to the plan are noted and discussed in the 2018 Remuneration Report. The plan will remain in effect until all granted units have been exercised, forfeited or expired. No share units have been granted or issued since the introduction of the LTI Plan in 2018.

Valuation assumptions for the FY19-FY21 LTI (Performance Rights Plan)

The estimation of the fair value of share-based payment awards requires judgement concerning the appropriate valuation methodology. The choice of valuation methodology is determined by the structure of the awards, particularly the vesting conditions.

A Monte-Carlo simulation valuation methodology was used to determine the value relative to TSR growth. The valuation methodology used was chosen from those available to incorporate an appropriate amount of flexibility with respect to the particular performance and vesting conditions of the award.

The value recognised in the period has been recognised straight-line over the vesting term as in line with accounting standards. For those portions of the granted rights with non-market vesting conditions, values have been estimated based on management's judgments as to the number of units expected to vest.

The following principal assumptions were used in the valuation:

GRANT DATE	EXPIRY DATE	VESTING TRANCHE	VOLATILITY %	DIVIDEND YIELD %	RISK FREE INTEREST RATE %	SHARE PRICE AT GRANT DATE $	FAIR VALUE AT GRANT DATE $
01/07/18	30/06/21	1	53.66	2.50	2.24	1.97	0.72
01/07/19	30/06/22	1	54.11	0.00	1.97	2.18	0.82
01/07/20	30/06/23	1	50.82	0.00	1.58	2.16	0.72

3. EXPENSES (CONT'D)

Valuation assumptions for the FY15-FY18 LTI (Share Units Plan)

The fair value at grant date for share units, is determined under option pricing methodology using a Monte-Carlo simulation model. The expected volatility is based on historical share price volatility over the past five years, and the risk-free interest rate and dividend yield have been assessed based on prevailing market conditions.

Key inputs to the model are as follows:

GRANT DATE	EXPIRY DATE	VESTING TRANCHE	VOLATILITY %	DIVIDEND YIELD %	RISK FREE INTEREST RATE %	FAIR VALUE AT GRANT DATE $	EXERCISE PRICE $	WEIGHTED AVERAGE SHARE PRICE AT GRANT DATE $
18/12/15	18/12/20	1	50.21	3.20	1.73	0.46	1.22	1.22
		2	50.21	3.20	1.73	0.42	1.22	1.22
		3	50.21	3.20	1.73	0.37	1.22	1.22
20/12/16	18/12/21	1	49.48	3.20	2.33	0.82	1.94	1.94
		2	49.48	3.20	2.33	0.74	1.94	1.94
		3	49.48	3.20	2.33	0.68	1.94	1.94
12/06/17	12/06/22	1	49.48	1.90	2.53	0.91	2.19	2.19
		2	49.48	1.90	2.53	0.83	2.19	2.19
		3	49.48	1.90	2.53	0.72	2.19	2.19
20/12/17	20/12/22	1	51.84	1.80	2.43	1.21	2.84	2.84
		2	51.84	1.80	2.43	1.12	2.84	2.84
		3	51.84	1.80	2.43	1.01	2.84	2.84

Set out below are summaries of rights and units granted under each plan:

	PERFORMANCE RIGHTS PLAN			SHARE UNITS			SHARE RIGHTS
	2021	**2020**	**2019**	**2018**	**2017**	**2017**	**2018**
Grant date	01/07/20	01/07/19	01/07/18	20/12/17	12/06/17	20/12/16	01/12/17
Expiry date	30/06/23	30/06/22	30/06/21	20/12/22	12/06/22	18/12/21	01/12/20
Share Price at Grant date ($)	2.16	2.18	1.97	2.84	2.19	1.94	2.57
Fair Value at Grant date ($)	0.72	0.82	0.72	1.01	0.72	0.68	2.57
Balance at the start of the year (no.)	-	995,685	721,262	470,000	60,000	194,567	16,029
Granted (no.)	1,321,564	-	-	-	-	-	-
Exercised (no.)	-	(97,319)	(146,028)	-	-	-	(15,497)
Forfeited (no.)	(66,204)	(216,898)	(88,785)	(260,000)	-	-	(532)
Balance at the end of the year (no.)	1,255,360	681,468	486,449	210,000	60,000	194,567	-

RECOGNITION AND MEASUREMENT

DEFINED CONTRIBUTION SUPERANNUATION

Contributions to employee superannuation funds are expensed when the employees have rendered service entitling them to the contributions.

4. TAX EXPENSE

CURRENT TAX EXPENSE

	2021 $ '000	2020 $ '000
Current tax expense from continuing and discontinued operations	5,575	1,180
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	(127)	412
Deferred tax expense relating to recoupment of prior year tax losses	-	2,668
Under provision of income tax in prior year	576	-
Continuing and discontinued operations	**6,024**	**4,260**
Reconciliation of income tax expense to the accounting profit:		
Profit before tax from continuing and discontinued operations	19,361	1,440

The tax rate used for 2021 and 2020 is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

	2021 $ '000	2020 $ '000
Income tax expense calculated at 30% (2020: 30%)	5,808	432
Amortisation of leasehold improvements	8	8
Effect of lower tax rates on overseas income	(21)	(9)
Non-deductible expenses	106	4,312
Fair value gain on contingent consideration	(407)	(525)
Sundry items	(46)	42
Adjustments relating to income tax in prior year	576	-
Continuing and discontinued operations	**6,024**	**4,260**
Income tax expense (benefit) from:		
Continuing operations	6,570	4,690
Discontinued operations	(546)	(430)
Continuing and discontinued operations	**6,024**	**4,260**

DEFERRED TAX ASSETS

	BALANCE 2019 $ '000	CHARGED TO INCOME $ '000	BALANCE 2020 $ '000	CHARGED TO INCOME $ '000	BALANCE 2021 $ '000
Deferred tax relating to:					
Property, plant and equipment	5,859	(691)	5,168	(46)	5,122
Contract intangible	(3,557)	1,252	(2,305)	1,151	(1,154)
Employee provisions	1,865	68	1,933	225	2,158
Impairment of RV Manufacturing raw materials	1,839	(626)	1,213	(639)	574
Provision for expected RV warranty costs	1,241	(328)	913	(421)	492
Other provisions	760	(128)	632	5	637
Accruals	-	36	36	-	36
Unused tax losses	2,668	(2,668)	-	-	-
AASB 16 leases	-	-	-	(148)	(148)
	10,675	**(3,085)**	**7,590**	**127**	**7,717**

The Company anticipates future profits will be earned to utilise deferred tax assets.

RECOGNITION AND MEASUREMENT

CURRENT TAX

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability or asset to the extent that it is unpaid or refundable.

Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

4. TAX EXPENSE (CONT'D)

DEFERRED TAX

Deferred tax is accounted for using the comprehensive statement of financial position liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that a sufficient taxable amount will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. Deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets and the liabilities giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

CURRENT AND DEFERRED TAX FOR THE PERIOD

Current and deferred tax is recognised as an expense or income in the statement of profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

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

UNCERTAIN INCOME TAX TREATMENTS

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company has an overseas subsidiary, it assessed whether the Interpretation had an impact on its consolidated financial statements.

5. SEGMENT INFORMATION

Operating segments are based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Business segments	Products / Services
RV Solutions	Manufacture, installation and distribution of recreational vehicle parts and accessories
Building Solutions	Design, manufacture and sale of accommodation
Accommodation Solutions	Operation of accommodation villages

Revenue and results by reportable operating segment:

	SEGMENT REVENUE AND OTHER INCOME		DEPRECIATION AND AMORTISATION		SEGMENT RESULT (EBITA) [1]	
	2021	2020	2021	2020	2021	2020
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
RV Solutions [1]	72,429	62,914	3,725	3,665	7,831	(10,125)
Building Solutions	249,102	223,196	8,525	8,453	9,568	6,550
Accommodation Solutions	38,320	43,613	3,270	3,130	14,632	16,219
Operating segment total	**359,851**	**329,723**	**15,520**	**15,248**	**32,031**	**12,644**
Unallocated	232	199	703	618	(5,732)	(4,200)
Total	**360,083**	**329,922**	**16,223**	**15,866**	**26,299**	**8,444**
Amortisation of contract intangible (Building Solutions)					(3,838)	(4,174)
Profit before interest and tax (EBIT)					**22,461**	**4,270**
Finance costs					(1,285)	(1,400)
Profit before income tax expense					**21,176**	**2,870**
Income tax expense					(6,570)	(4,690)
Profit (loss) from continuing operations					**14,606**	**(1,820)**
Loss from discontinued operations					(1,269)	(1,000)
Profit (loss) attributable to members of the parent entity					**13,337**	**(2,820)**

[1] RV Solutions EBITA in 2020 includes impairment of goodwill of $13.8 million. Underlying EBITA for RV Solutions in 2020 was $3.7 million.

The unallocated line represents the results of the corporate function of the Company.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in the notes to the financial statements. Segment results represents earnings before interest and tax and amortisation without the allocation of corporate overheads.

Company revenue and results by reportable operating segment:

	SEGMENT ASSETS		SEGMENT LIABILITIES	
	2021	2020	2021	2020
	$ '000	$ '000	$ '000	$ '000
RV Solutions	49,686	50,098	16,927	18,033
Building Solutions	194,449	165,925	82,609	65,853
Accommodation Solutions	27,028	32,680	5,388	7,371
Operating segment total	**271,163**	**248,703**	**104,924**	**91,257**
Unallocated	64,305	75,020	8,079	5,937
Total	**335,468**	**323,723**	**113,003**	**97,194**

Unallocated segment assets include idle mining rental assets of $1.1 million (2020: $3.2 million) and caravan manufacturing assets of $0.7 million (2020: $4.5 million).

For the purposes of monitoring segment performance and allocating resources all assets and liabilities are allocated to the reportable segments other than current and deferred tax amounts and assets and liabilities directly utilised by the Corporate entity.

The Company operates in two principal geographical areas - Australia (country of domicile) and New Zealand. Company non-current assets and revenues by geographical segment:

	SEGMENT NON-CURRENT ASSETS		REVENUE AND OTHER INCOME	
	2021	2020	2021	2020
GEOGRAPHICAL AREA	$ '000	$ '000	$ '000	$ '000
Australia	162,613	165,434	351,074	322,489
New Zealand	388	725	9,010	7,433
	163,001	**166,159**	**360,084**	**329,922**

6. DIVIDEND INFORMATION

During the period the following dividends were declared by the Directors and paid to shareholders of the Company.

	CONSOLIDATED	
	2021	**2020**
	$ '000	**$ '000**
Recognised amounts		
Final 2020 – paid 5 cents per share fully franked	4,731	-
Special 2020 – paid 7 cents per share fully franked	6,623	-
Interim 2021 – paid 6 cents per share fully franked	5,676	-
	17,030	**-**

Subsequent to 30 June 2021 the Directors declared a fully franked final dividend of 10.5 cents per share to the holders of fully paid ordinary shares. The dividend will be paid on 1 October 2021. This dividend is not included as a liability in this financial report. The total estimated dividend to be paid is $9,890,868.

Declared and not recognised as liabilities		
Final 2020 – declared 5 cents per share fully franked	-	4,731
Special 2020 - declared 7 cents per share fully franked	-	6,623
Final 2021 – declared 10.5 cents per share fully franked	9,891	-
	9,891	**11,354**

Dividend franking account		
30% franking credits available to shareholders of Fleetwood Limited for subsequent years	**18,564**	**25,488**

7. EARNINGS PER SHARE

	2021	**2020**
	$ '000	**$ '000**
Earnings (loss) used in the calculation of basic and diluted earnings per share from continuing and discontinued operations	13,337	(2,820)
Adjustment to exclude loss from discontinued operation	1,269	1,000
Earnings (loss) used in the calculation of basic and diluted earnings per share from continuing operations	**14,606**	**(1,820)**

The weighted average number of ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	WEIGHTED AVERAGE NUMBER OF SHARES USED	
	2021	**2020**
Weighted average number of ordinary shares used in the calculation of basic EPS	94,579,722	94,611,055
Number of shares deemed to be issued for no consideration in respect of performance rights	732,824	-
Weighted average number of ordinary shares used in the calculation of diluted EPS	**95,312,546**	**94,611,055**

Earnings (loss) per share	**CENTS**	**CENTS**
Basic earnings (loss) per share		
Continuing operations	15.4	(1.9)
Discontinued operations	(1.3)	(1.1)
Total	**14.1**	**(3.0)**
Diluted earnings (loss) per share		
Continuing operations	15.3	(1.9)
Discontinued operations	(1.3)	(1.1)
Total	**14.0**	**(3.0)**

8. CASH AND CASH EQUIVALENTS

	2021 $ '000	2020 $ '000
Cash and cash equivalents	**57,567**	**65,726**

Reconciliation of operating profit after income tax to net cash provided by operating activities:

Operating profit (loss) after income tax	13,337	(2,820)
Items classified as investing activities:		
Loss on sale of non-current assets	(583)	(1,029)
Items classified as financing activities:		
Payment of hire purchase creditors	-	(18)
Non-cash items:		
Equity settled share-based payments	353	526
Depreciation and amortisation expense - continuing operations	16,223	15,866
Depreciation and amortisation expense - discontinued operations	216	289
Amortisation of contract intangible	3,838	4,174
Impairment of goodwill	-	13,845
Impairment of non-current assets held for sale	-	896
Exchange differences arising on translation of foreign operations	105	75
Changes in assets and liabilities during the year:		
(Increase) decrease in trade and other receivables	585	6,986
(Increase) decrease in trade and other receivables (prior year adjustment)	-	3,188
(Increase) decrease in contract assets	(14,512)	9,202
(Increase) decrease in inventories	(1,384)	(650)
(Increase) in other financial assets	(2)	67
Increase (decrease) in trade and other payables	8,424	(10,211)
Increase (decrease) in contract liabilities	(2,774)	8,068
Increase (decrease) in provisions	(650)	(2,418)
Increase (decrease) in earn out liabilities	(1,357)	(3,610)
Increase (decrease) in other financial liabilities	(325)	325
Increase (decrease) in income taxes payable	5,660	976
(Increase) decrease in deferred taxes receivable	(127)	3,084
Increase (decrease) in right-of-use assets (AASB 16)	7,846	23,037
Increase (decrease) in lease liabilities (AASB 16)	(8,173)	(23,204)
Net cash provided by operating activities	**26,700**	**46,644**

RECOGNITION AND MEASUREMENT

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in fair value and have a maturity of three months or less at the date of acquisition.

9. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

		2021 $ '000	2020 $ '000
Trade and other receivables			
Current			
Trade receivables		45,776	42,148
Less: allowance for expected credit losses	17	(2,124)	(2,116)
Finance lease receivable		2,437	3,023
Other debtors		5,093	6,275
Total		**51,182**	**49,330**
Non-Current			
Finance lease receivable		2,992	5,429
Total		**2,992**	**5,429**
Contract assets			
Current		**27,349**	**12,837**

Trade and other debtors are non-interest bearing and are generally on terms ranging between 7 and 60 days. The average credit period on sales of goods is 30 to 60 days. All trade and other debtors are expected to be settled within 60 days of year end.

Retentions on construction contracts included within other debtors amount to nil (2020: $0.7 million), to be received from the customer on acceptance of the works performed and other contractual milestones.

The Company records finance lease receivables at the net present value of lease payments over the lease period as shown below.

	FINANCE LEASE PAYMENTS DUE						
	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	AFTER 5 YEARS	TOTAL
30 June 2021							
Lease receivables	2,563	1,357	540	1,215	-	-	5,675
Finance income	(126)	(62)	(41)	(17)	-	-	(246)
Net present values	**2,437**	**1,295**	**499**	**1,198**	**-**	**-**	**5,429**

RECOGNITION AND MEASUREMENT

CONTRACT ASSETS

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date on made-to-order buildings. Contract assets are assessed for impairment as part of the Company's expected credit losses assessment under AASB 9.

ALLOWANCE FOR EXPECTED CREDIT LOSSES

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. Note 24 includes disclosures relating to the credit risk analysis relating to the allowance for expected credit losses.

THE COMPANY AS A LESSOR

The Company enters into lease agreements as a lessor with respect to equipment manufactured by the Company provided to customers under lease-to-buy contracts.

Leases for which the Company is a lessor are classified as finance leases or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease..

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of AASB 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (after a deduction of the credit loss allowance).

When a contract includes both lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

10. INTEREST BEARING RECEIVABLES

	2021 $ '000	2020 $ '000
Project finance advance	**8,698**	**-**

The receivable relates to an advance payment to assist in financing a residential land development to which the Company is a party. The receivable is secured by a first mortgage on a land asset. The carrying amount of the receivable is considered a reasonable approximation of fair value as this financial asset was repaid subsequent to year end.

11. INVENTORIES

	2021 $ '000	2020 $ '000
Current		
Raw materials and stores	13,187	8,221
Finished goods	15,248	20,959
Stock obsolescence provision	(1,913)	(4,042)
	26,522	**25,138**

The cost of inventories recognised as an expense during the year in respect of continuing operations was $111.8 million (2020: $107.7 million).

RECOGNITION AND MEASUREMENT

INVENTORIES

Inventories are carried at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal capacity. Costs of ordinarily interchangeable items are assigned using standard cost. Net realisable value represents the estimated selling prices for the inventories less all estimated costs of completion and costs necessary to make the sale.

12. NON-CURRENT ASSETS HELD FOR SALE

	2021 $ '000	2020 $ '000
Plant and equipment - idle mining rental assets	**1,147**	**3,191**

RECOGNITION AND MEASUREMENT

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification.

All balances on-hand as at 30 June 2021 are being carried at their fair value less cost to sell since this falls below the assets' carrying values. The fair value less cost to sell has been determined with reference to letters of intent from third-party buyers that are valid up to the date of signing of these financial statements.

13. PROPERTY, PLANT AND EQUIPMENT

	2021 $ '000	2020 $ '000
Freehold land		
Cost	1,408	2,703
Buildings		
Cost	1,343	1,343
Accumulated depreciation	(506)	(473)
	837	870
Leasehold property and improvements		
Cost	51,064	50,420
Accumulated amortisation	(42,669)	(41,449)
	8,395	8,971
Plant and equipment		
Cost	102,425	104,549
Accumulated depreciation	(75,233)	(72,406)
	27,192	32,143
Assets under construction		
Cost	2,011	318
	39,843	**45,005**

	FREEHOLD LAND $ '000	BUILDINGS $ '000	LEASEHOLD PROPERTY $ '000	PLANT AND EQUIPMENT $ '000	ASSETS UNDER CONSTRUCTION $ '000	TOTAL $ '000
2021 Financial Year						
Balance at 1 July 2020	2,703	870	8,971	32,143	318	45,005
Additions	-	-	645	3,168	2,219	6,032
Transferred to ERP software	-	-	-	(93)	-	(93)
Transferred to product development	-	-	-	(137)	(235)	(372)
Transferred to plant and equipment	-	-	(568)	-	(124)	(692)
Transferred from leasehold improvements	-	-	-	568	-	568
Transferred from assets under construction	-	-	-	124	-	124
Transferred to project	-	-	-	-	(167)	(167)
Disposals	(1,295)	-	-	(1,160)	-	(2,455)
Depreciation and amortisation	-	(33)	(653)	(7,421)	-	(8,107)
Balance at 30 June 2021	**1,408**	**837**	**8,395**	**27,192**	**2,011**	**39,843**
2020 Financial Year						
Balance at 1 July 2019	2,703	900	9,052	35,095	687	48,437
Additions	-	-	-	7,406	884	8,290
Transferred from non-current assets held for sale	-	-	-	(48)	-	(48)
Transferred to product development	-	-	-	(255)	-	(255)
Disposals	-	-	-	(2,091)	(1,253)	(3,344)
Depreciation and amortisation	-	(34)	(81)	(7,964)	-	(8,079)
Other	-	4	-	-	-	4
Balance at 30 June 2020	**2,703**	**870**	**8,971**	**32,143**	**318**	**45,005**

RECOGNITION AND MEASUREMENT

PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is stated at historical cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Property in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Freehold land is not depreciated.

The cost of self-constructed assets includes the cost of materials and direct labour and any other costs attributable to bringing an asset to a working condition ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

ACQUISITION OF ASSETS

All assets including property, plant and equipment and intangibles are initially recorded at their cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. The costs of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials, direct labour, directly attributable overheads and other incidental costs.

Expenditure, including that on internally generated assets other than development costs, is only recognised as an asset when it is probable that future economic benefits will eventuate and the costs can be measured reliably.
Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable future economic benefits will flow to the consolidated entity. Costs that do not meet the criteria for capitalisation are expensed as incurred.

DEPRECIATION AND AMORTISATION

All non-financial assets of the entity (except land) have limited useful lives and are depreciated/amortised using the straight-line method over their estimated useful lives to their estimated residual values. Assets are depreciated or amortised from the time an asset is ready for use.

Depreciation and amortisation rates and methods and residual values are reviewed annually for appropriateness. When changes are made adjustments are reflected in current and future periods only. Depreciation and amortisation are expensed, except to the extent they are included in the carrying amount of another asset as an allocation of production overheads.

Depreciation/amortisation rates used for each class of asset are as follows:

	2021	2020
Buildings	**2.5%**	2.5%
Leasehold property and improvements	**2% - 25%**	2% - 25%
Plant and equipment	**2.5% - 50%**	2.5% - 50%

IMPAIRMENT OF ASSETS OTHER THAN GOODWILL

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value through equity, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value through equity, in which case the reversal of the impairment loss is treated as a revaluation increase.

14. GOODWILL

	2021 $ '000	2020 $ '000
Goodwill	**72,066**	**72,066**
Reconciliation of the carrying amount of Goodwill:		
Gross carrying amount		
Opening balance	104,046	104,046
	104,046	104,046
Accumulated impairment		
Opening balance	(31,980)	(18,135)
Impairment loss in respect of RV Solutions	-	(13,845)
	(31,980)	(31,980)
RV Solutions	9,110	9,110
Accommodation Solutions	2,196	2,196
Building Solutions	60,760	60,760
	72,066	**72,066**

RECOGNITION AND MEASUREMENT

GOODWILL

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

IMPAIRMENT OF GOODWILL

Testing for impairment is carried out on an annual basis or whenever there is an indicator of impairment. Goodwill is allocated to the Company's three cash-generating units: RV Solutions, Accommodation Solutions and Building Solutions. The recoverable amount of the cash generating units has been determined based on value in use. The value in use has been calculated using cashflow projections based on financial budgets approved by the board with key assumptions based on past experience and where applicable external sources of information. Projections are extrapolated over a 5-year period with the inclusion of a terminal value.

Building Solutions and RV Solutions have seen limited impact from COVID-19 restrictions. As a response to the uncertain environment the impairment assessment was performed from a scenario perspective with weighting applied to a range of possible outcomes. No impairment has been recognised for Building Solutions or RV Solutions.

In respect of the Accommodation Solutions cash-generating unit there are no impairment indicators given current EBITDA results relative to the cash-generating unit's carrying value and there are no reasonably possible changes in key assumptions which would result in the carrying amounts exceeding the recoverable amounts.

The assumptions used to calculate the carrying value of each cash-generating unit and the scenario analysis performed in relation to RV Solutions and Building Solutions are detailed on the next page:

14. GOODWILL (CONT'D)

RV Solutions – Assumptions

Assumptions	Rate
Pre-tax discount rate	14.9% - 16.6%
Revenue growth rate	2.5%
Terminal growth rate	2.5%
EBITDA margin	12.4%

Scenarios considered:

Scenario	Assumptions
Scenario 1	FY22 budget.
Scenario 2	Scenario 1 with favourable growth based on medium term strategic initiatives.
Scenario 3	Scenario 1 with slower growth assuming current tailwind in the industry reduces.
Scenario 4	Scenario 1 with no growth.
Scenario 5	Scenario 1 with 2.5% negative growth.

Sensitivity analysis:

Assumption	Increase/ (decrease)	Effect	Result
Pre-tax discount rate	1.0%	Headroom reduction of approximately $4.7 million.	No impairment.
Revenue growth rate	(0.5%)	Headroom reduction of approximately $2.3 million.	No impairment.
EBITDA margin	(0.25%)	Headroom reduction of approximately $2.2 million.	No impairment.

Building Solutions - Assumptions

Assumptions	Rate
Pre-tax discount rate	14.1% - 15.6%
Revenue growth rate	2.8%
Terminal growth rate	2.5%
EBITDA margin	6.7%

Scenarios considered:

Scenario	Assumptions
Scenario 1	FY22 budget.
Scenario 2	Scenario 1 with favourable growth rate to meet medium term strategic target.
Scenario 3	Scenario 1 with slower growth assuming lower industry growth.
Scenario 4	Scenario 1 with no growth.
Scenario 5	Scenario 1 with 2.5% negative growth.

Sensitivity analysis:

Assumption	Increase / (decrease)	Effect	Result
Pre-tax discount rate	1.0%	Headroom reduction of approximately $13.7 million.	No impairment.
Revenue growth rate	(0.5%)	Headroom reduction of approximately $5.4 million.	No impairment.
EBITDA margin	(0.25%)	Headroom reduction of approximately $12.2 million.	No impairment.

15. INTANGIBLE ASSETS

	2021 $ '000	2020 $ '000
Product development		
At cost	2,092	1,568
Accumulated amortisation	(1,198)	(810)
	894	758
Product development WIP		
At cost	1,949	1,714
	1,949	1,714
Contract intangible		
Acquired	14,924	14,924
Accumulated amortisation	(11,079)	(7,241)
	3,845	7,683
ERP Software		
At cost	2,586	2,242
Accumulated amortisation	(1,288)	(565)
	1,298	1,677
ERP Software WIP		
At cost	1,514	1,200
	9,500	**13,032**

	PRODUCT DEVELOPMENT $ '000	PRODUCT DEVELOPMENT WIP $ '000	CONTRACT INTANGIBLE $ '000	ERP SOFTWARE $ '000	ERP SOFTWARE WIP $ '000	TOTAL $ '000
2021 Financial Year						
Balance at 1 July 2020	758	1,714	7,683	1,677	1,200	13,032
Additions	93	-	-	8	547	648
Transferred from ERP Software WIP	233	-	-	-	-	233
Transferred from plant and equipment	137	-	-	93	-	230
Transferred from assets under construction	-	235	-	-	-	235
Transferred to product development	-	-	-	-	(233)	(233)
Depreciation and amortisation	(324)	-	(3,838)	(480)	-	(4,642)
Other	(3)	-	-	-	-	(3)
Balance at 30 June 2021	**894**	**1,949**	**3,845**	**1,298**	**1,514**	**9,500**
2020 Financial Year						
Balance at 1 July 2019	711	-	11,857	2,129	503	15,200
Additions	67	1,714	-	-	697	2,478
Transferred from plant and equipment	255	-	-	-	-	255
Depreciation and amortisation	(274)	-	(4,174)	(452)	-	(4,900)
Other	(1)	-	-	-	-	(1)
Balance at 30 June 2020	**758**	**1,714**	**7,683**	**1,677**	**1,200**	**13,032**

Intangible assets have a useful life of 2 to 5 years.

RECOGNITION AND MEASUREMENT

INTANGIBLE ASSETS

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An intangible asset arising from product development (or from the development phase of an internal project) is recognised if the following are demonstrated:

+ the technical feasibility of completing the intangible asset so that it will be available for use or sale;
+ the intention to complete the intangible asset and use or sell it;
+ the ability to use or sell the intangible asset;
+ how the intangible asset will generate probable future economic benefits;

15. INTANGIBLE ASSETS (CONT'D)

+ the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
+ the expenditure attributable to the intangible asset during its development can be measured reliably.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the asset first meets the recognition criteria. Where no internally generated asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses and are amortised on a straight-line basis over their useful lives of 2 to 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

In respect of ERP Software, the Company considers the guidance provided by IFRIC in relation to cloud technology. The costs related to SaaS are expensed through the statement of profit or loss.

CONTRACT INTANGIBLE

Contract intangible assets are initially recognised at fair value and amortised over the useful life of the asset. The fair value for the contract intangible asset had arisen from the acquisition of Modular Building Systems Pty Ltd and was estimated using the estimated future cash flows. The future cash flows were based on contracts at acquisition, supply contracts and synergies with the Company's existing businesses.

DEPRECIATION AND AMORTISATION

All intangible assets of the entity have limited useful lives and are amortised using the straight-line method over their estimated useful lives to their estimated residual values. Assets are amortised from the time an asset is ready for use.

Amortisation rates and methods and residual values are reviewed annually for appropriateness. When changes are made, adjustments are reflected in current and future periods only. Amortisation is expensed, except to the extent it is included in the carrying amount of another asset as an allocation of production overheads.

Amortisation rates used for each class of asset are as follows:

	2021	2020
Product development	**20% - 50%**	20% - 50%
Contract intangible assets	**20% - 50%**	20% - 50%
ERP Software	**20% - 50%**	20% - 50%

IMPAIRMENT OF ASSETS OTHER THAN GOODWILL

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value through equity, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value through equity, in which case the reversal of the impairment loss is treated as a revaluation increase.

16. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2021 $ '000	2020 $ '000
Current		
Trade creditors	33,256	28,002
Payments in advance	243	129
Other creditors and accruals	21,405	18,349
	54,904	**46,480**
Contract liabilities	**12,947**	**15,721**

Trade and other payables are non-interest bearing. The average credit period on purchases is 45 days.

RECOGNITION AND MEASUREMENT

TRADE CREDITORS, OTHER CREDITORS AND ACCRUALS

Liabilities are recognised for amounts to be paid in the future for goods or services received regardless of whether they have been billed to the Company. They are carried at amortised cost.

CONTRACT LIABILITIES

The contract liabilities primarily relate to the advance consideration received from customers for construction of buildings, for which revenue is recognised over time.

17. PROVISIONS

	2021 $ '000	2020 $ '000
Current		
Employee benefits	6,488	5,839
Provision for warranty	1,641	2,598
Other provisions	14	459
Total	**8,143**	**8,896**
Non-current		
Employee benefits	706	603
Total	**706**	**603**
Aggregate employee benefits	**7,194**	**6,442**

Accruals for employee benefits represent accrued annual leave and long service leave entitlements. Based on past experience, the consolidated entity does not expect the full amount of annual leave and long service leave balances classified as current liabilities to be settled within the next 12 months.

Provisions for warranty represent $0.3 million (2020: $2.1 million) in relation to the discontinued recreational vehicles manufacturing business and $1.3 million (2020: $0.5 million) in relation to continuing operations.

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	2020 $'000	ARISING DURING THE YEAR $'000	UTILISED $'000	RECOVERED $'000	2021 $'000
Expected credit losses	2,116	1,321	(249)	(1,064)	2,124
Stock obsolescence	4,042	1,913	(4,042)	-	1,913
Warranty	2,598	1,250	(2,207)	-	1,641
Other	459	-	(445)	-	14
Total	**9,215**	**4,484**	**(6,943)**	**(1,064)**	**5,692**

RECOGNITION AND MEASUREMENT

PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

17. PROVISIONS (CONT'D)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

EMPLOYEE BENEFITS

Wages, salaries, annual and long service leave

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions which are not expected to be settled within 12 months are measured as the present value of the estimated future cash flows to be made in respect of services provided by employees up to the reporting date. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash flows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

18. INTEREST BEARING LOANS AND BORROWINGS

	2021 $ '000	2020 $ '000
Current - at amortised cost	-	-
Non-current - at amortised cost	-	-
	-	-

RECOGNITION AND MEASUREMENT

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS ISSUED BY THE COMPANY

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Equity instruments issued by the Company are recognised at the amount received, net of direct issue costs.

INTEREST BEARING LIABILITIES

Bank loans are recognised initially at fair value net of transaction costs. Subsequent to initial recognition, bank loans are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing using the effective interest rate. Interest expense is recognised on an accrual basis.

The Company derecognises liabilities when, the obligations are discharged, cancelled or expire. The difference between the carrying amount of the liability derecognised and the consideration paid and payable is recognised in profit or loss.

19. FINANCING ARRANGEMENTS

	2021 $ '000	2020 $ '000
Facilities available		
Multi-option	50,000	50,000
Surety Bonds	35,000	15,000
Total Facilities available	**85,000**	**65,000**
Facilities utilised		
Multi-option	5,803	4,989
Surety Bonds	11,858	10,633
Total Facilities utilised	**17,661**	**15,622**
Facilities not utilised		
Multi-option	44,197	45,011
Surety Bonds	23,142	4,367
Total Facilities not utilised	**67,339**	**49,378**
Multi-option facility utilisation		
Bank Loans	-	-
Bank Guarantees	5,803	4,989
Multi-option facility utilised	**5,803**	**4,989**

19. FINANCING ARRANGEMENTS (CONT'D)

Multi-option facility

Multi-option facility allows Fleetwood to utilise the facility balance available at its discretion for bank loans and bank guarantees. Bank loans are secured by a mortgage debenture over the assets of the consolidated entity and bear interest at a rate plus 0.95% (2020: 0.95%) plus a line fee of 0.95% (2020: 0.95%). The multi-option facility has a term of 12 months and is renewed annually. Bank guarantees are utilised for construction contracts. No liability has been recognised in the consolidated statement of financial position in respect of bank guarantees.

Surety Bonds

Surety bonds are utilised for construction contracts. No liability has been recognised in the statement of financial position in respect of surety bonds.

20. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

The statement of financial position movements in right-of-use assets is shown below:

	2021 $ '000	2020 $ '000
Cost		
Opening balance	30,386	21,317
Right-of-use additions	15,359	8,917
Right-of-use modifications	13	152
Disposals	(2,483)	-
	43,275	30,386
Accumulated depreciation		
Opening balance	7,347	-
Depreciation charged this year (continuing operations)	7,312	7,061
Depreciation charged this year (discontinued operations)	216	288
Disposals	(2,483)	-
	12,392	7,349
Balance	**30,883**	**23,037**

The Company has leases for offices, production facilities and relates warehouses, and some IT equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend of an index or a rate (such as lease payments based on a percentage of Company sales) are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use assets can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on the statement of financial position:

	NO. OF RIGHT-OF-USE ASSETS LEASED	RANGE OF REMAINING TERM	AVERAGE REMAINING LEASE TERM	NO. OF LEASES WITH OPTIONS TO PURCHASE	NO. OF LEASES WITH VARIABLE PAYMENTS LINKED TO AN INDEX OR RATE	NO. OF LEASES WITH TERMINATION OPTIONS
Office buildings/spaces	2	1-4 years	3 years	-	1	-
Production facilities and warehouses	22	1-8 years	3 years	-	8	-

20. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

LEASE LIABILITIES

Lease liabilities are presented in the statement of financial position as follows:

	2021 $ '000	2020 $ '000
Lease liabilities (current)	7,131	7,082
Lease liabilities (non-current)	24,246	16,122
Total lease liabilities	**31,377**	**23,204**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2021 were as follows:

	MINIMUM LEASE PAYMENTS DUE						
	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	AFTER 5 YEARS	TOTAL
30 June 2021							
Lease payments	7,915	6,789	6,000	4,827	2,883	5,410	33,824
Finance charges	(784)	(593)	(433)	(291)	(187)	(159)	(2,447)
Net present values	**7,131**	**6,196**	**5,567**	**4,536**	**2,696**	**5,251**	**31,377**

Impact on Consolidated Statement of Profit or Loss and Other Comprehensive Income:

CONTINUING OPERATIONS	IMPACT	2021 $'000	2020 $'000
Other income (lease modifications)	Increase	-	370
Other income (rent deferrals and waiver)	Increase	93	146
Rent expense	Decrease	7,458	7,013
Profit before interest, tax, depreciation and amortisation	Increase	7,551	7,529
Depreciation and amortisation	Increase	(7,312)	(7,061)
Profit before interest and tax (EBIT)	Increase	239	468
Finance costs	Increase	(572)	(630)
Profit before income tax expense	**Decrease**	**(333)**	**(162)**

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of a lease liability is as follows:

	2021 $ '000	2020 $ '000
Short term and low value leases	948	760
	948	**760**

The Company as a lessee

For any new contracts entered into on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

+ the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
+ the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
+ the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

20. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

RECOGNITION AND MEASUREMENT

The Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentive received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, of if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, of statement of profit or loss and other comprehensive income if the right-of-use asset is already reduced to zero.

The Company has elected to account for short term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

21. EQUITY AND RESERVES

ISSUED CAPITAL

	2021 $ '000	2020 $ '000
Issued and paid-up capital		
94,198,742 (2020: 94,611,055) ordinary shares, fully paid	**253,726**	**255,054**

Holders of ordinary shares are entitled to receive dividends as declared and to one vote per share held.

	2021		2020	
	# SHARES	$ '000	# SHARES	$ '000
Movements in ordinary share capital				
Balance at beginning of year	94,611,055	255,054	94,611,055	254,528
Equity settled share-based payments	243,347	353	-	526
Share buy-back	(655,660)	(1,681)	-	-
Balance at the end of year	**94,198,742**	**253,726**	**94,611,055**	**255,054**

RESERVES

	2021 $ '000	2020 $ '000
Foreign currency translation reserve		
Balance at beginning of year	365	440
Translation of foreign operations	(105)	(75)
	260	365
Share Plan reserve		
Balance at beginning of year	(3,188)	(3,188)
Share buy-back	1,062	-
	(2,126)	(3,188)
Balance at end of year	**(1,866)**	**(2,823)**

Foreign currency translation reserve relates to exchange difference on the translation of self-sustaining foreign operations.

Share Plan reserve relates to funds advanced to the Company's Executive Share Trust in respect of grants the Directors have elected to satisfy by advancing money to the trust to purchase shares on market for the executive long-term incentive plans.

21. EQUITY AND RESERVES (CONT'D)

RETAINED EARNINGS (ACCUMULATED LOSSES)

	2021 $ '000	2020 $ '000
Balance at beginning of year	(25,702)	(22,882)
Profit attributable to members of the parent entity	13,337	(2,820)
Dividends paid to shareholders	(17,030)	-
	(29,395)	**(25,702)**

22. AUDITORS REMUNERATION

	2021 $	2020 $
Audit and review services	216,000	210,000
Other services	11,000	15,000
	227,000	**225,000**

Fleetwood Limited's auditor is Grant Thornton Audit Pty Ltd.

23. DEED OF CROSS GUARANTEE

Fleetwood Limited and certain wholly-owned subsidiaries are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the other. By entering into the Deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The companies below represent a 'closed group' for the purposes of the class order:

Fleetwood Limited
Northern RV Pty Ltd
Recreational Vehicle Concepts Pty Ltd
Fleetwood Building Solutions Pty Ltd
Camec Pty Ltd
Glyde Digital Pty Ltd
BRB Modular Pty Ltd
Modular Building Systems Pty Ltd
Fleetwood Finance (WA) Pty Ltd

Set out below is a consolidated statement of comprehensive income and statement of financial position of the 'closed group'.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CONSOLIDATED	
DEED OF CROSS GUARANTEE (CONTINUING OPERATIONS)	**2021** **$'000**	**2020** **$'000**
Sales revenue	347,082	319,039
Fair value gain on contingent consideration	1,357	1,750
Government subsidies (JobKeeper)	3,235	1,593
Other income	1,887	1,633
Materials used	(134,670)	(104,445)
Sub-contract costs	(88,817)	(92,784)
Employee benefits expense	(56,571)	(57,067)
Rent expense	(948)	(744)
Impairment of goodwill	-	(13,845)
Other expenses	(31,483)	(31,980)
Profit before interest, tax, depreciation and amortisation (EBITDA)	**41,072**	**23,150**
Depreciation and amortisation expense	(15,864)	(15,051)
Profit before interest, tax and amortisation (EBITA)	**25,208**	**8,099**
Amortisation of contract intangible	(3,838)	(4,174)
Profit before interest and tax (EBIT)	**21,370**	**3,925**
Finance costs	(1,266)	(1,372)
Profit before income tax expense	**20,104**	**2,553**
Income tax expense	(6,275)	(4,532)
Profit (loss) from continuing operations	**13,829**	**(1,979)**
Loss from discontinued operation	(1,269)	(1,000)
Total profit (loss) for the year	**12,560**	**(2,979)**

23. DEED OF CROSS GUARANTEE (CONT'D)

STATEMENT OF FINANCIAL POSITION

	CONSOLIDATED	
	2021	2020
DEED OF CROSS GUARANTEE	$'000	$'000
Current assets		
Cash and cash equivalents	55,222	64,731
Trade and other receivables	50,273	48,192
Interest bearing receivables	8,698	-
Contract assets	27,349	12,837
Inventories	24,489	22,835
Other financial assets	2	-
Tax assets	-	1,342
Non-current assets held for sale	1,147	3,191
Total current assets	**167,180**	**153,128**
Non-current assets		
Trade and other receivables	2,993	5,429
Investments	72	72
Property, plant and equipment	39,803	44,938
Right-of-use assets	30,466	22,284
Goodwill	72,066	72,066
Intangible assets	9,500	13,030
Deferred tax assets	7,675	7,575
Total non-current assets	**162,575**	**165,394**
Total assets	**329,755**	**318,522**
Current liabilities		
Trade and other payables	54,369	45,928
Contract liabilities	12,947	15,721
Lease liabilities	6,783	6,749
Provisions	4,111	8,952
Earn out liability	8,213	-
Other financial liabilities	-	325
Total current liabilities	**86,423**	**77,675**
Non-current liabilities		
Interest bearing liabilities	122	122
Lease liabilities	24,157	15,684
Provisions	707	603
Earn out liability	-	1,357
Total non-current liabilities	**24,986**	**17,766**
Total liabilities	**111,409**	**95,441**
Net assets	**218,346**	**223,081**
Equity		
Issued capital	253,722	255,049
Reserves	(1,749)	(2,798)
Retained earnings	(33,627)	(29,170)
Total equity	**218,346**	**223,081**

24. FINANCIAL RISK MANAGEMENT

CAPITAL MANAGEMENT

The Company manages capital to ensure it will be able to continue as a going concern, while maximising returns to shareholders through optimisation of debt and equity balances. The categories of financial instruments of the entity are apparent from the statement of financial position.

The capital structure of the Company includes borrowings and related repayment terms (as detailed in note 18), cash and cash equivalents (as detailed in note 8) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings (as detailed in note 21).

Operating cash flows are used to maintain and expand the Company's operating assets, make payments of tax and dividends and to repay debt. Company policy is to borrow centrally to meet funding requirements. The Company does not have a target gearing ratio.

The Company has covenants imposed under its facility agreement with its financier.

FINANCIAL RISK MANAGEMENT OBJECTIVES

Financial instruments comprise cash, receivables, payables, hire purchase creditors, and bank loans. All financial instruments except forward foreign exchange contracts are carried at amortised cost. The Company manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Company financial risk management framework. The objective of the framework is to support delivery of financial targets whilst providing financial security.

The main financial instrument risks are interest rate, foreign currency, credit and liquidity risk. Different methods are used to measure and manage risks including monitoring exposure to interest and foreign exchange rates and assessments of market forecasts for interest and foreign exchange rates. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of rolling cash flow forecasts.

FOREIGN CURRENCY RISK MANAGEMENT

The Company undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts. The Company is mainly exposed to United States Dollars and the Euro.

	- 10%			+ 10%		
	USD $ '000	EURO $ '000	TOTAL $ '000	USD $ '000	EURO $ '000	TOTAL $ '000
2021 Profit	(935)	(857)	**(1,792)**	935	857	**1,792**
2020 Profit	(814)	(697)	**(1,511)**	814	697	**1,511**
2021 Equity	(935)	(857)	**(1,792)**	935	857	**1,792**
2020 Equity	(814)	(697)	**(1,511)**	814	697	**1,511**

FORWARD FOREIGN EXCHANGE CONTRACTS

Company policy is to enter into forward foreign exchange contracts to manage the risk associated with anticipated purchases denominated in foreign currency. Anticipated purchases are assessed out to twelve months from the date the contract is entered into, with 0-100% of the anticipated exposure covered. Basis adjustments are made to the carrying amounts of non-financial items when the anticipated purchase transaction takes place.

OUTSTANDING CONTRACTS	AVERAGE EXCHANGE RATE 2021 $	AVERAGE EXCHANGE RATE 2020 $	FOREIGN CURRENCY 2021 FC'000	FOREIGN CURRENCY 2020 FC'000	NOTIONAL VALUE 2021 $'000	NOTIONAL VALUE 2020 $'000	FAIR VALUE 2021 $'000	FAIR VALUE 2020 $'000
Buy USD								
Less than 3 months	0.77	0.66	375	1,252	485	1,886	13	(60)
3 to 6 months	0.77	0.64	375	575	485	902	13	(64)
6 to 12 months	-	0.65	-	1,000	-	1,533	-	(74)
Buy Euro								
Less than 3 months	0.59	0.59	225	950	383	1,615	(26)	(60)
3 to 6 months	0.63	0.59	225	425	356	726	2	(29)
6 to 12 months	-	0.59	-	825	-	1,395	-	(38)
							2	**(325)**

During 2021 a gain of $326,155 was recognised in profit and loss pertaining to forward exchange contracts (2020: $392,206 loss)

24. FINANCIAL RISK MANAGEMENT (CONT'D)

INTEREST RATE RISK MANAGEMENT

Interest rate risk arises from borrowings. Company policy is to manage finance costs by using a mix of fixed and variable rate debt after considering market forecasts.

	CARRYING AMOUNT $ '000	- 75 BPS PROFIT $ '000	- 75 BPS EQUITY $ '000	+ 75 BPS PROFIT $ '000	+ 75 BPS EQUITY $ '000
Financial assets					
2021 - Cash and cash equivalents	57,567	(432)	(432)	432	432
2020 - Cash and cash equivalents	65,726	(493)	(493)	493	493
Financial liabilities					
2021 - Borrowings	-	-	-	-	-
2020 - Borrowings	-	-	-	-	-
2021		**(432)**	**(432)**	**432**	**432**
2020		**(493)**	**(493)**	**493**	**493**

CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Company policy is to deal with creditworthy counterparties and obtain sufficient collateral where appropriate as a means of mitigating the risk of financial loss from default. Reviews of customer creditworthiness are undertaken before payment and delivery terms are offered. The review assesses credit quality of the customer, taking into account its financial position, past experience, industry reputation and other factors. Purchase limits are established for each customer, and compliance with credit limits is regularly monitored. Customers that fail to meet benchmark creditworthiness may transact with the Company only on a prepayment basis. Sales to retail customers are required to be settled in cash or by using major credit cards, mitigating credit risk.

With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Company's maximum exposure to credit risk at the report date was:

	NOTE	2021 $ '000	2020 $ '000
Cash and cash equivalents	8	57,567	65,726
Trade receivables	9	45,776	42,148
		103,343	**107,874**

The Company applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables. In measuring the expected credit losses, the trade receivables have been assessed on an individual customer basis. They have been grouped based on the days past due.

Trade receivables are written off (derecognised) when there is no reasonable expectation of recovery. Cessation of customer operations or failure to engage with the Company on alternative payment arrangement amongst others are considered indicators of no reasonable expectation of recovery.

The aging of the Company's non-impaired trade receivables past due at reporting date was::

	Current	Greater than 30 days	Greater than 60 days	Total
30 June 2021				
Gross carrying amount ($'000s)	38,261	4,746	2,769	45,776
Expected credit loss rate ($'000s)	743	-	1,381	2,124
Lifetime expected credit loss	2%	0%	50%	5%
30 June 2020				
Gross carrying amount ($'000s)	35,327	3,068	3,753	42,148
Expected credit loss rate ($'000s)	423	-	1,693	2,116
Lifetime expected credit loss	1%	0%	45%	5%

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

24. FINANCIAL RISK MANAGEMENT (CONT'D)

LIQUIDITY RISK MANAGEMENT

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk framework for the management of short, medium and long-term funding. Liquidity risk is managed by maintaining adequate reserves and banking facilities, by monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. Note 18 lists unused facilities that the Company has at its disposal to reduce liquidity risk. The remaining contractual maturities of the Company are:

+ 3 months or less: Trade and other payables as disclosed at note 16. Trade and other payables do not attract an interest charge and are expected to be settled within 60 days of year end.
+ 3 months or less: Bank Loans as disclosed at note 18.

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of financial assets and liabilities recognised in the statement of financial position is based on cash flows due from customers or payable to suppliers. The cash flows have not been discounted to their present value, except as disclosed in the table below. The carrying values approximate fair value. The fair values of financial instruments are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. There are clearly observable quoted prices for all financial instruments held by the Company. Some of the Company's financial assets and liabilities are measured at fair value and the end of each reporting period. Information about how the fair values of these financial liabilities are determined (in particular, the valuation techniques and inputs used).

	Fair value as at		Fair value Hierarchy	Valuation technique and key inputs
	2021 $'000	2020 $'000		
Financial assets Foreign currency forward contracts	2	Nil	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates and contract forward rates, discounted to their present value.
Financial liabilities Foreign currency forward contracts	Nil	325	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates and contract forward rates, discounted to their present value.
Non-financial liabilities Contingent consideration	Nil	1,357	Level 3	Discounted cash flow. Future cash flows are probability-weighted based on management expectation of target levels being reached.

FAIR VALUE OF NON-FINANCIAL ASSETS

The fair value of non-financial assets recognised in the statement of financial position is based on cash flows due from customers or payable to suppliers. The cash flows have been discounted to their present value. The carrying values approximate fair value.

RECOGNITION AND MEASUREMENT

FOREIGN CURRENCY FORWARD CONTRACTS

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk.

The Company's foreign currency forward contracts are initially recognised at fair value at the date the contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. These contracts are fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The resulting gain or loss is recognised in Statement of Profit or Loss and Other Comprehensive Income immediately.

CONTINGENT CONSIDERATION

The fair value of contingent consideration related to the acquisition of Northern RV is estimated using a present value technique. A $1,356,922 gain on fair value remeasurement has been recognised in the statement of profit or loss and other comprehensive income during the period reflecting management's assessment of a nil probability that the contract's target levels will be achieved.

25. CONTINGENT LIABILITIES

Under the terms of the Deed of Cross Guarantee, the Company has guaranteed the repayment of all current and non-current liabilities totalling $111,409,194 (2020: $95,441,548) in the event any of the entities which are party to the Deed are wound up.

The Directors are not aware of any circumstances or information that would lead them to believe these liabilities will crystallise and consequently no provisions are included in the financial statements in respect of these matters.

Certain claims arising out of construction and insurance contracts have been made by or against controlled entities in the ordinary course of business, some of which involved litigation or adjudication. The Directors do not consider the outcome of any of these claims will have a material adverse impact on the financial position of the consolidated entity.

26. CONTROLLED ENTITIES

Fleetwood Limited (Ultimate parent entity)

Continuing Operations

Controlled entities	Place of incorporation	Principal Activities	Interest held (%) 2021	Interest held (%) 2020
Northern RV Pty Ltd	Australia	Caravan plumbing and electrical services and parts supplier.	100	100
BRB Modular Pty Ltd	Australia	Accommodation solutions provider to the resources, education and affordable housing sectors.	100	100
Camec Pty Ltd	Australia	Manufacturer and distributor of parts and accessories to the recreational vehicles industry.	100	100
Fleetwood Building Solutions Pty Ltd	Australia	Accommodation solutions provider to the resources, education and affordable housing sectors.	100	100
Modular Building Systems Pty Ltd	Australia	Accommodation solutions provider to the resources, education, affordable housing and corrections sectors.	100	100
Camec (NZ) Limited	New Zealand	Manufacturer and distributor of parts and accessories to the recreational vehicles industry.	100	100
Fleetwood Share Plans Pty Ltd	Australia	Administration of Employee Long Term Incentive Plan	100	100

Discontinued and Dormant operations

Controlled entities	Place of incorporation	Principal Activities	Interest held (%) 2021	Interest held (%) 2020
Glyde Digital Pty Ltd	Australia	Technology startup	100	100
Fleetwood Finance (WA) Pty Ltd	Australia	Dormant	100	100
ACN 624 111 328 Pty Ltd	Australia	Discontinued retail of caravans, parts and accessories operation	100	100
Recreational Vehicle Concepts Pty Ltd	Australia	Discontinued caravan manufacturing operation	100	100
ACN 625 109 702 Pty Ltd	Australia	Dormant	100	100
ACN 625 109 793 Pty Ltd	Australia	Dormant	100	100
Fleetwood Limited	New Zealand	Dormant	100	100

Fleetwood Limited is the head entity within the tax consolidated group. All companies incorporated in Australia are members of the tax consolidated group.

27. RELATED PARTIES

DIRECTORS

The names of each person holding the position of Director of Fleetwood Limited during the financial year were Phillip Campbell, Brad Denison, Adrienne Parker, Jeff Dowling, Mark Southey, Martin Monro and John Klepec.

No Director has entered into a material contract with the Company or the consolidated entity during and since the end of the financial year and there were no material contracts involving directors' interests existing at year-end.

Directors of the Company or its controlled entities may purchase goods from the consolidated entity. These purchases are on the same terms and conditions as those entered into by other consolidated entity employees.

Further information on remuneration of directors and key management personnel can be found in the Remuneration Report.

27. RELATED PARTIES (CONT'D)

KEY MANAGEMENT PERSONNEL

Aggregate compensation of the key management personnel of the consolidated entity and the Company for the year:

	CONSOLIDATED	
	2021	**2020**
	$	**$**
Short-term employee benefits	2,825,413	1,908,765
Post-employment benefits	137,999	119,304
Other long term benefits	47,024	29,923
Share-based payments	416,819	280,492
	3,427,255	**2,338,484**

Transactions between Fleetwood Limited and its related parties

During the financial year subsidiaries of the parent company paid $30,000,000 (2020: $5,000,000) dividends to the parent entity. Non-current loans totaling $138,239,317 (2020: $121,469,604) repayable to the parent are outstanding at reporting date.

Transactions and balances between the Company and its subsidiaries were eliminated in the preparation of the consolidated financial statements of the Company.

28. PARENT ENTITY DISCLOSURES

		PARENT	
		2021	**2020**
	NOTE	**$'000**	**$'000**
28.1 Financial position			
Assets			
Current assets		54,631	58,951
Non-current assets		177,594	160,824
Total assets		**232,225**	**219,775**
Liabilities			
Current liabilities		7,263	2,348
Non-current liabilities		929	1,030
Total liabilities		**8,192**	**3,378**
Equity			
Issued capital		253,727	255,055
Reserves		(2,126)	(3,188)
Retained earnings		(27,568)	(35,470)
Total equity		**224,033**	**216,397**
28.2 Financial performance			
Profit for the year		24,932	1,438
Other comprehensive income		-	-
Total comprehensive profit		**24,932**	**1,438**
28.3 Guarantees entered into by the parent entity			
Guarantee provided under the deed of cross guarantee	25	**111,409**	**95,441**
28.4 Commitments			
Lease Commitments - short term and low value			
Within one year		268	402
One year or later and no later than five years		-	263
Later than five years		-	-
		268	**665**

The accounting policies of the parent entity, which have been applied in determining the financial information above are the same as those applied in the consolidated financial statements.

Under the terms of the Deed of Cross Guarantee, the Company has guaranteed the repayment of all current and non-current liabilities totaling $111,409,194 (2020: $95,441,548) in the event any of the entities which are party to the Deed are wound up.

The parent entity had no other contingent liabilities as at 30 June 2021 (2020: nil).

29. DISCONTINUED OPERATIONS

DISCONTINUED OPERATION	BACKGROUND
Resource Sector Rental Operations	On 1 March 2016 the Company ceased resource sector rental operations due to the downturn in the mining industry and the resulting reduction in demand for construction workforce accommodation.
Caravan Manufacturing Operations	On 21 June 2018 the Company announced the sale of the Coromal and Windsor brands and associated raw materials and finished goods stock after undertaking a strategic review.

	RESOURCE SECTOR RENTAL SEGMENT		CARAVAN MANUFACTURING		TOTAL DISCONTINUED OPERATIONS	
	2021	2020	2021	2020	2021	2020
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
29.1 Financial results						
Revenue	21	1,377	1,404	3,500	1,425	4,877
Expenses	(228)	(1,372)	(3,012)	(4,935)	(3,240)	(6,307)
Profit (loss) from discontinued operations before income tax	**(207)**	**5**	**(1,608)**	**(1,435)**	**(1,815)**	**(1,430)**
Attributable income tax (expense) benefit	62	(1)	484	431	546	430
Profit (loss) from discontinued operations after income tax	**(145)**	**4**	**(1,124)**	**(1,004)**	**(1,269)**	**(1,000)**
29.2 Cashflow information						
Net cash inflows (outflows) from operating activities	1,869	1,572	(2,176)	(1,882)	(307)	(310)
Net cash inflows (outflows) from investing activities	-	-	-	-	-	-
Net cash inflows (outflows) from discontinued operations	**1,869**	**1,572**	**(2,176)**	**(1,882)**	**(307)**	**(310)**
29.3 Financial Position						
Assets	1,147	3,191	686	4,494	1,833	7,685
Liabilities	-	-	523	2,844	523	2,844
Net assets in discontinued operations	**1,147**	**3,191**	**163**	**1,650**	**1,310**	**4,841**
29.4 Loss per share from discontinued operations						
Basic loss per share (cents)					(1.3)	(1.1)
Diluted loss per share (cents)					(1.3)	(1.1)
Profit attributable to members of the consolidated entity relates to:						
Profit (loss) from continuing operations					14,606	(1,820)
Loss from discontinued operations					(1,269)	(1,000)
Profit (loss) for the year					**13,337**	**(2,820)**

RECOGNITION AND MEASUREMENT

A discontinued operation is a component of the Company that has either been disposed of, or is held for sale, and

+ represents a separate major line of business or geographical area of operations;
+ is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
+ is a subsidiary acquired exclusively with a view to resale

Profit or loss from discontinued operations, including prior year components of profit or loss, are presented in a single amount in the statement of profit or loss and other comprehensive income. This amount, which comprises the post-tax profit or loss of discontinued operations, is analyzed above.

30. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The project finance advance of $8.7 million was repaid in July 2021.

On 25 August 2021, the Directors declared a final dividend of 10.5 cents per share with respect to the year ended 30 June 2021.

No adjusting or significant non-adjusting events occurred between the reporting date and the date of authorisation of this report.

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Independent Auditor's Report

To the Members of Fleetwood Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Fleetwood Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Note 2	
For the year ended 30 June 2021, the Group recognised $247.081 million in revenues from its construction contracts within its Building Solutions operating segment. The Group recognises revenues from construction contracts with reference to AASB 15 *Revenues from Contracts with Customers*. This area is a key audit matter due to the degree of management estimation and judgement required with regard to applying judgments and estimates in determining revenue recorded over the time of its contracts. In the case of the Group's revenue recognition policies, this is performed by measuring the percentage of completion with reference to costs incurred relative to the total expected costs on each contract.	Our procedures included, amongst others: • assessing revenue recognition policies for compliance with the requirements of AASB 15 and consistency of application with prior year; • selecting a sample of projects, agreeing to supporting documentation such as signed contracts, variations and approved budgeted costs and checking management's assessment of performance obligations under AASB 15; • selecting a sample of costs incurred during the year to supporting documentation such as supplier invoices or approved timesheets and ensuring accuracy of cost allocation to projects; • recalculating revenue recognition, including contract assets and contract liabilities, on a sample of open contracts at year end and comparing to management's estimates; • discussing the status of projects with relevant project managers to assess the percentage of completion and accuracy of forecast revenues and costs to complete; • analysing management's ability to forecast by: - comparing margins on open contracts at 30 June 2020 to actual margins on completed contracts during the 2021 financial year; - comparing margins on open contracts at 30 June 2021 to margins reported by management in the period subsequent to year end, including identification of any loss making contracts; and • assessing the appropriateness of financial statement disclosures.
Goodwill valuation – Note 14	
As at 30 June 2021, the Group carries $72.066 million in Goodwill across various cash-generating units (CGUs). Goodwill is required to be assessed for impairment annually by management as prescribed in AASB 136 *Impairment of Assets*. The Group estimates the fair value of its CGUs by employing a discounted cash flow model and, in doing so, determining the following key inputs: • forecasted cash flows from operations; • estimated growth rates; • working capital adjustments; • estimated capital expenditure; • discount rates; and • terminal value. This area is a key audit matter due to the significant level of management estimates and judgements applied in supporting these carrying values. The current uncertain economic environment brings added risk to the assessment of CGU carrying values.	Our procedures included, amongst others, obtaining management's discounted cash flow models and performing the following audit procedures: • understanding and documenting management's process for the assessment of impairment, including identification of CGUs and assessing the appropriateness of the inclusion of cash flows from companies determined to be within each CGU; • identifying and corroborating the key assumptions and adjustments used in the models; • assessing management's impairment calculations by: - challenging management's assumptions; - testing mathematical accuracy of the calculations; - comparing to historical performance, including management's ability to forecast; - analysing the reasonableness of cash flow forecasts used based on Board approved budgets; - performing sensitivity analysis on the key inputs and assumptions, including scenario analysis of possible outcomes; and - corroborating against industry forecasts. • evaluating the value in use models against the requirements of AASB 136, including consultation with our valuation experts to assess the reasonableness of discount rates and working capital adjustments; and • checking the adequacy of related financial statement disclosures.

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Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 22 to 30 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Fleetwood Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M D Dewhurst
Partner – Audit & Assurance

Perth, 25 August 2021

ASX ADDITIONAL INFORMATION

AS AT 24 AUGUST 2021

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below:

Twenty largest shareholders

NAME	NUMBER OF ORDINARY SHARES HELD	%
CITICORP NOMINEES PTY LIMITED	14,812,161	15.72%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,140,989	11.83%
NATIONAL NOMINEES LIMITED	9,845,801	10.45%
KARRAD PTY LTD	7,345,992	7.80%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,239,210	6.62%
ONE MANAGED INVT FUNDS LTD <SANDON CAPITAL INV LTD A/C>	5,249,852	5.57%
SANDHURST TRUSTEES LTD <WENTWORTH WILLIAMSON A/C>	3,607,194	3.83%
ONE FUND SERVICES LTD <SANDON CAPITAL ACTIVIST A/C>	3,519,877	3.74%
ONE MANAGED INVT FUNDS LTD <1 A/C>	2,551,923	2.71%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	2,099,462	2.23%
JARLI PTY LTD	1,084,000	1.15%
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	997,517	1.06%
SMARTEQUITY EIS PTY LTD	910,540	0.97%
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	756,242	0.80%
BNP PARIBAS NOMS PTY LTD <DRP>	388,459	0.41%
BNP PARIBAS NOMINEES PTY LTD <IOOF INSMT MGMT LTD DRP>	350,000	0.37%
ACE PROPERTY HOLDINGS PTY LTD	340,000	0.36%
MR GREG TATE	338,873	0.36%
MR JOHN IAN AMOS + MRS CINTRA GAIL AMOS <NINGANA SUPER FUND A/C>	309,143	0.33%
NATIONAL NOMINEES LIMITED <DB A/C>	279,049	0.30%
	72,166,284	**76.61%**
Other minority shareholders	22,032,485	23.39%
	94,198,742	**100.00%**

Substantial shareholders

The number of shares held by substantial shareholders are set out below:

NAME		
CITICORP NOMINEES PTY LIMITED	14,812,161	15.72%
SANDON CAPITAL PTY LTD	11,276,396	11.97%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,267,042	11.96%
NATIONAL NOMINEES LIMITED	10,124,850	10.75%
MR GREG TATE	8,848,865	9.39%

Distribution of equity security holders

CATEGORY	NUMBER OF SHAREHOLDERS
1 -1,000	1,857
1,001 - 5,000	1,730
5,001 - 10,000	465
10,001 - 100,000	417
100,001 and over	39
	4,508
Shareholders holding less than a marketable parcel	563

Voting rights of shareholders

On a show of hands, every member in person or by proxy shall have one vote. Upon a poll, voting rights of such members shall be one vote for each share held.

On market buy-back

There is no current on market buy-back.

Other information

Fleetwood Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

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