HALF YEAR REPORT 22

INCORPORATING APPENDIX 4D

FLEETWOOD™
AUSTRALIA

FLEETWOOD LIMITED
APPENDIX 4D
HALF YEAR ENDED 31 DECEMBER 2021
(ABN 69 009 205 261)

Reporting period Half year ended 31 December 2021

Previous corresponding period Half year ended 31 December 2020

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	% change up / (down)	31 Dec 2021 $'000	31 Dec 2020 $'000
Revenue from ordinary activities	23%	209,157	169,943
Profit before interest, tax, depreciation and amortisation (EBITDA)[1]	(72%)	6,757	24,428
Profit (loss) before interest, tax and amortisation (EBITA)[1]	(110%)	(1,549)	16,032
Significant items[2]	n/a	(39,816)	-
Net profit (loss) from continuing operations after tax attributable to members	n/a	(38,645)	9,313
Net profit (loss) attributable to members (including loss from discontinued operations)	n/a	(39,102)	8,603

DIVIDEND INFORMATION

	31 Dec 2021	31 Dec 2020
Interim Dividend		
Date dividend is payable	1 Apr 2022	1 Apr 2021
Record date	4 Mar 2022	5 Mar 2021
Interim dividend payable per security (cents)	2.00	6.00
Franked amount of dividend per security (cents)	2.00	6.00
Total dividend payable for the period per security (cents)	2.00	6.00
		30 Jun 2021
Previous Dividends		
Final Dividend 2021 (cents) - paid 1 October 2021		10.50
Interim Dividend 2021 (cents) - paid 1 April 2021		6.00
Total dividend paid during the period per security (cents)		16.50

NET TANGIBLE ASSET BACKING

	as at 31 Dec 2021	as at 30 Jun 2021
Net tangible assets per security ($) - Prior to application of AASB 16[3]	1.35	1.50
Net tangible assets per security ($) - Post application of AASB 16[4]	1.06	1.17

DETAILS OF SUBSIDIARIES AND ASSOCIATES

No items to report.

COMMENTARY ON RESULTS IN THE PERIOD

Additional Appendix 4D disclosure requirements and further information including commentary on significant features of the operating performance, results of segments and other factors affecting the results for the current period are contained in the Directors' Report, half year Financial Report for the period ended 31 December 2021, and Press Release lodged with the ASX.

The condensed consolidated financial statements contained within the Half year Financial Report for the period ended 31 December 2021, of which this report is based upon have been reviewed by Fleetwood Limited's auditors, Ernst and Young (EY).

1 Excludes significant items (impairment of assets, goodwill and warranty and buy-back expenses)

2 Includes goodwill impairment of $28.5m, intangible asset impairment of $4.7m, inventory impairment of $2.7m and provisions for warranties and buy-backs of $3.9m.

3 Calculated as net assets less goodwill and intangibles

4 Calculated as net assets less goodwill, intangibles and AASB 16 right-of-use assets

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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 Level 2, 464 Hay Street, Subiaco, Western Australia. The telephone number of the company is (08) 9323 3300.

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Ernst and Young

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FLEETWOOD LIMITED
DIRECTORS' REPORT
HALF YEAR ENDED 31 DECEMBER 2021

The Directors present their report on Fleetwood Limited (the Company) and the entities it controlled (collectively, the Group) at the end of, or during the half year ended 31 December 2021 together with consolidated financial statements.

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	Chairman, Non-Executive Director
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

Executive Officers

Bruce Nicholson	Chief Executive Officer
Andrew Wackett	Chief Financial Officer, Company Secretary
Elizabeth Maynard	General Counsel, Company Secretary
Andrew McCormack	General Manger, WHSE & HR
Tara Goldsworthy	Executive General Manager, Manufacturing (Appointed 25/10/2021)
Tom Gleeson	Executive General Manager, Sales (Appointed 14/02/2022)
Jason Kunkler	Chief Operating Officer, Building Solutions
Manny Larre	Chief Operating Officer, RV Solutions
Dominic Letts	Chief Operating Officer, Community Solutions

REVIEW OF OPERATIONS

- **$56.2m in net cash after dividend payment of $9.9m**
- **Dividend of 2 cps declared**
- **Underlying EBITA loss of $1.5m, statutory NPAT loss of $39.1m**
- **Significant Items of $39.8m**

The Company has maintained a strong cash position of $56.2m during 1H FY22 despite difficulties related to performance on two major projects and the ongoing COVID-19 pandemic.

Business performance for the half year was mixed. RV Solutions performed well with the ongoing popularity in domestic tourism. Community Solutions (formerly Accommodation Solutions) was similar to H2 FY21 as expected with new supply entering the Karratha market ahead of major project commencements. A loss in Building Solutions was caused by cost increases in two major projects and COVID-19 related lockdowns and the associated decision-making uncertainty early in the half year. The impact of both projects has been quarantined to 1H FY22 and are not expected to impact the second half.

The Company recorded earnings before interest, tax and amortisation (EBITA) loss of $1.5m (31 December 2020: $16.0m profit) and statutory net profit after tax (NPAT) loss of $39.1m (31 December 2020: $8.6m profit) for 1H FY22. Revenue for the period improved 23% to $209.2m (31 December 2020: $169.9m).

As announced at the 2021 Annual General Meeting and on 2 February, a review of the carrying value of the Building Solutions business has been undertaken. The review was related to the historical performance of the business. There is no impact on debt facilities, future cash flows, Fleetwood's ability to undertake capital management initiatives, future dividends, or normalised earnings. Following the review, total significant items of $39.8m were recorded.

SIGNIFICANT ITEMS SUMMARY

$ million	Note	H1 FY22	H1 FY21
Goodwill impairment	12	28.5	-
Intangible impairment	10	4.7	-
Inventory impairment	8	2.7	-
Provisions for warranties and buy-backs	14	3.9	-
Total Significant Items		39.8	-

Given the strong cash position of the Company at the conclusion of the half year and the improved outlook for the remainder of FY22, the Company has decided to pay a first half dividend to shareholders of 2 cents per share.

The dividend represents the Board's confidence in the business outlook and the cost control and strategic measures being implemented within the Building Solutions business. The Company retains cash on hand of $56.2m (30 June 2021: $57.6m) after accounting for the final dividend payment of $9.9m. The cash position remains strong and well-matched to the company's ongoing requirements.

Based on the order book and outlook across the different businesses, the Company anticipates a return to profitability in the second half of FY22. The overarching strategic objective remains focused on revenue growth through diversification, a return to sustainable margins, increasing utilisation and reducing overheads to improve earnings.

RESULT SUMMARY

$ million	H1 FY22	H1 FY21
Revenue	209.2	169.9
EBITDA	6.8	24.4
Depreciation	8.3	8.4
EBITA	(1.5)	16.0
Amortisation of contract intangible	1.1	1.9
Finance costs	0.7	0.7
Pre-tax profit	(3.4)	13.4
Tax expense (benefit)	(1.2)	4.1
Underlying NPAT	(2.2)	9.3
Significant items	39.8	-
Tax expense (benefit)	(3.4)	-
Significant items after tax	36.5	-
Continuing operations NPAT (Loss)	(38.6)	9.3
Loss from discontinued operations	(0.5)	(0.7)
Statutory NPAT (Loss)	(39.1)	8.6
NPATA[1] (Loss)	(1.4)	10.7

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

DIVISIONAL EBITA RESULT SUMMARY

$ million	H1 FY22	H1 FY21
Revenue		
RV Solutions	41.4	30.6
Building Solutions	151.4	117.0
Community Solutions	16.4	22.4
Total revenue	209.2	169.9
EBITA		
RV Solutions	5.1	3.7
Building Solutions[1]	(8.5)	4.1
Community Solutions	4.7	10.9
Unallocated	(2.9)	(2.7)
Total EBITA	(1.5)	16.0

[1] EBITA adjusted for significant items of $39.8m.

CASHFLOW AND DEBT

The Company maintained a strong cash position despite the challenges presented by cost increases, operational issues and the COVID-19 pandemic. The cash position of $56.2m at the end of 1H FY22 has been possible through careful working capital management and despite the spike in activity levels towards the end of the half as the Centres for National Resilience projects commenced.

The group retains total debt and bonding facilities of $85m.

The movement in net cash is detailed below.

$ million	H1 FY22	H1 FY21
EBITDA	6.8	24.4
Cash outflows from discontinued businesses	(0.5)	(1.2)
Interest paid (net)	(0.7)	(0.3)
Tax	(3.9)	1.8
Working capital (and other)	7.3	(0.9)
Operating cashflow	9.0	23.8
Net capex	(5.5)	(1.0)
Free cashflow	3.5	22.8
Net acquisitions	-	-
Project finance (advance) repayment	8.7	(8.7)
Lease repayments and other	(3.7)	(3.9)
Dividends paid	(9.9)	(11.3)
Financing cashflows	(4.9)	(23.9)
Opening net cash (debt)	57.6	65.7
Closing net cash (debt)	56.2	64.6

BUILDING SOLUTIONS

	H1 FY22	H1 FY21
Revenue	151.4	117.0
EBITA[1]	(8.5)	4.1

[1] EBITA adjusted for significant items of $39.8m.

Earnings in the half were impacted by two underperforming major contracts. Both contracts had unrelated operational issues that have now been identified and mitigated. The lessons learnt have been communicated across the business to avoid similar problems emerging in the future.

Cost increases and supply chain disruption was also experienced on a number of smaller projects.

Various State-wide COVID-related shutdowns impacted operations at different times. The stay-at-home orders in New South Wales that started in late June 2021 had an immediate impact on the business. Subsequent lockdowns that were limited to selected Local Government Areas (LGAs) meant many of our employees were unable to leave home to attend work. This exacerbated the existing New South Wales operational integration issues and has delayed implementation of improvements in the business.

As both construction and our own manufacturing sites were locked down in New South Wales and Victoria, the impact on the supply chain was extended. Because of the integrated supply network that normally allows Fleetwood to operate efficiently, the border closures restricted transfer of equipment and material over state borders, affecting our operations across the east coast.

The different strategies adopted by individual States to cope with COVID-19 also created uncertainty early in the half, leading to a slower than normal decision-making process for projects. This delayed multiple projects for Building Solutions, particularly in the Education sector. With most states now reopening, decision making processes have shown signs of improvement. The outlook for Building Solutions has now gained greater clarity in recent months as restarts occur, new projects are awarded, and freight across State borders returns to normal.

The order book and upcoming opportunities for Building Solutions has grown significantly during the period. At the end of December 2021, the orderbook stood at $189m. At the end of June 2021, the orderbook was $103m.

Fleetwood now expects to perform more than $100m of work in relation to the Centres of National Resilience in Melbourne, Brisbane, and Perth. These projects will be fulfilled by leveraging Fleetwood's national footprint which is critical in providing cost and efficiency advantages.

Affordable and lifestyle housing customers are increasing order volumes and partnerships are being formed with developers who have large pipelines.

OUTLOOK AND FORWARD STRATEGY

In early January 2022, approximately 12% of the east coast workforce was unable to attend work. Fortunately, as at the date of this report, the number of furloughed employees is starting to trend down.

Building Solutions anticipates an improvement in earnings in the second half. This is expected to come from a combination of a stronger order book, confidence that the first half contract overruns have been contained and reduced COVID-19 related disruptions.

Opportunities with government departments of Housing, Education, and Defence are expected to increase as adoption of modular building gathers momentum. As an example, the WA Department of Housing is now considering modular solutions after engagement with Fleetwood.

In line with the strategy towards national integration, the rebranding of the NSW Building Solutions business is now complete. As part of this process, the senior leadership team of that business is undergoing some changes and new recruitment. This re-build process will finalise the alignment of the NSW business within the larger national Fleetwood Building Solutions family.

Alongside this rebranding exercise in NSW, several other long-term strategic initiatives are now underway aiming to achieve sustainable margins, improve utilisation, and reduce overheads. First among these is the development of a national procurement strategy which will be critical to leveraging the scale of Fleetwood's national footprint.

This strategy will be the responsibility of the new National Manufacturing Manager, Tara Goldsworthy, who has been appointed to work alongside our new National Sales Manager, Tom Gleeson. These positions will report directly to the Fleetwood CEO. National implementation and coordination will be critical for Building Solutions to increase productivity while striving to increase long-term target margins.

Other manufacturing projects underway include embedding our national sales and operations planning process to understand and align manufacturing capacity and market opportunities. There are also key projects targeting productivity improvements, streamlining operations and reducing our cost to serve.

COMMUNITY SOLUTIONS

	H1 FY22	**H1 FY21**
Revenue	16.4	22.4
EBITA	4.7	10.9

Searipple benefited from COVID-19 related rostering changes in the first half of FY21, which subsequently returned to more normal occupancy patterns for the remainder of that year and the first half of FY22. The half also saw a full six-month impact of increased room supply in the Karratha market.

Negotiations remain ongoing with existing and potential customers around future room requirements for FY23 and beyond. Several opportunities remain for securing long-term community demand at Searipple to support future earnings.

Osprey Village is currently fully occupied, and a waiting list of potential tenants reflects the strength of the Port Hedland market.

OUTLOOK AND FORWARD STRATEGY

Searipple Village in Karratha and Osprey Village in Port Hedland have operated within the COVID-free environment that Western Australia has largely maintained to date. This situation could alter when the State border restrictions are eventually relaxed, and as such the Company remains ready to assist customers as required.

The outlook for Community Solutions is buoyant with the strong prospect that WA's Northwest will see significant future development of new projects in the oil and gas, fertiliser, and green energy sectors. The existing demand from customers provides a level of demand that places Fleetwood in a strong position for the medium term.

The general housing shortage has also triggered discussions regarding the development of new affordable community solutions. Community Solutions management remain actively engaged in business development opportunities to meet this growing area of interest.

In addition, Community 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.

RV SOLUTIONS

	H1 FY22	H1 FY21
Revenue	41.4	30.6
EBITA	5.1	3.7

The RV Solutions business continued its positive performance driven by the ongoing strength in domestic tourism, albeit with supply challenges caused by the COVID pandemic. Despite restrictions to interstate travel, the attraction of internal State travel remained strong.

Both the OEM and aftermarket segments experienced excellent trading conditions with limited demand impact from COVID-19 lockdowns during the half.

Strong management of increased raw materials and freight costs allowed gross margins to be maintained and excellent control of operating costs saw the increased demand translate to earnings growth. We were also able to pass through price increases to key customers during the period which led to improved margins.

OUTLOOK AND FORWARD STRATEGY

Demand for RV Solutions is expected to remain buoyant during the second half. Even with international borders opening for most of Australia, uncertainty around border closures and/or quarantine impositions are likely to dampen enthusiasm for overseas holidays.

The business will likely remain in a strong position through exposure to the locally built RV market via the parts business Camec, and to overseas imports through the services business Northern RV. The boom in caravan sales during the past two years will likely continue to deliver demand for the aftermarket service and renovation offering of Northern RV.

Continued strong management of price and input costs is expected to support second half margins.

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 our service offering.

DIVIDENDS

The board has declared a dividend of 2 cents per share based on the strong cash position and confidence in the outlook for the remainder of FY22

The Company presently has 19 cents per share in franking credits available to support up to 45 cents per share in fully franked dividends.

FLEETWOOD LIMITED
DIRECTORS' DECLARATION
HALF YEAR ENDED 31 DECEMBER 2021

In accordance with a resolution of the directors of Fleetwood Limited, I state that in the opinion of the directors:

(a) the half year financial report and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the *Corporations Act 2001*, including:
  (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
  (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; 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.

On behalf of the Board

John Klepec
Chairman

Perth, 23 February 2022

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Building a better working world

Auditor's independence declaration to the directors of Fleetwood Limited

As lead auditor for the review of the half-year financial report of Fleetwood Limited for the half-year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Russell Curtin
Partner
23 February 2022

FLEETWOOD LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
HALF YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated 31 Dec 2021 $ '000	31 Dec 2020 $ '000
Continuing operations			
Sales revenue	5	209,157	169,943
Government subsidies (JobKeeper)		-	3,302
Other income		219	1,132
Materials used		(94,420)	(54,345)
Sub-contract costs		(56,996)	(47,233)
Employee benefits		(31,795)	(30,221)
Rent expense	11	(229)	(384)
Impairment of assets	8,10,12	(35,943)	-
Warranty and buy-back expense	14	(3,896)	-
Other expenses		(19,179)	(17,766)
Profit (loss) before interest, tax, depreciation and amortisation (EBITDA)		**(33,082)**	**24,428**
Depreciation	9,10,11	(8,306)	(8,396)
Profit (loss) before interest, tax and amortisation (EBITA)		**(41,388)**	**16,032**
Amortisation of contract intangible	10	(1,137)	(1,919)
Profit (loss) before interest and tax (EBIT)		**(42,525)**	**14,113**
Finance costs		(743)	(683)
Profit (loss) before income tax expense		**(43,268)**	**13,430**
Income tax (expense) benefit		4,623	(4,117)
Profit (loss) from continuing operations	4	**(38,645)**	**9,313**
Loss from discontinued operations	15	(457)	(710)
Profit (loss) attributable to members of the parent entity		**(39,102)**	**8,603**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Net exchange difference - foreign controlled entities (net of tax)		153	11
Total comprehensive profit (loss) for the year		**(38,949)**	**8,614**

Earnings (loss) per share	**cents**	**cents**
Basic earnings (loss) per share		
Continuing operations	(41.0)	9.8
Discontinued operations	(0.5)	(0.8)
Total	**(41.5)**	**9.0**
Diluted earnings (loss) per share		
Continuing operations	(41.0)	9.8
Discontinued operations	(0.5)	(0.8)
Total	**(41.5)**	**9.0**

To be read in conjunction with the accompanying notes.

FLEETWOOD LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		Consolidated	
	Note	**31 Dec 2021 $ '000**	**30 Jun 2021 $ '000**
Current assets			
Cash and cash equivalents		56,236	57,567
Trade and other receivables	6	47,423	51,182
Interest bearing receivables	7	-	8,698
Contract assets	6	58,898	27,349
Inventories	8	25,437	26,522
Other financial assets		-	2
Tax assets		1,468	-
Non-current assets held for sale	15	1,129	1,147
Total current assets		**190,591**	**172,467**
Non-current assets			
Trade and other receivables	6	2,057	2,992
Property, plant and equipment	9	40,502	39,843
Intangible assets	10	3,442	9,500
Right-of-use assets	11	27,423	30,883
Goodwill	12	43,522	72,066
Deferred tax assets		10,506	7,717
Total non-current assets		**127,452**	**163,001**
Total assets		**318,043**	**335,468**
Current liabilities			
Trade and other payables		75,086	54,904
Contract liabilities		27,164	12,947
Lease liabilities	11	6,814	7,131
Tax liabilities		387	4,926
Provisions	14	12,430	8,143
Other financial liabilities		14	-
Total current liabilities		**121,895**	**88,051**
Non-current liabilities			
Lease liabilities	11	21,325	24,246
Provisions	14	813	706
Total non-current liabilities		**22,138**	**24,952**
Total liabilities		**144,033**	**113,003**
Net assets		**174,010**	**222,465**
Equity			
Issued capital		254,111	253,726
Reserves		(1,713)	(1,866)
Retained earnings		(78,388)	(29,395)
Total equity		**174,010**	**222,465**

To be read in conjunction with the accompanying notes.

FLEETWOOD LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
HALF YEAR ENDED 31 DECEMBER 2021

Consolidated	Issued capital $ '000	Share Plan reserve $ '000	Foreign currency translation reserve $ '000	Retained earnings $ '000	Total $ '000
Balance at 1 July 2020	255,054	(3,188)	365	(25,702)	226,529
Profit for the period	-	-	-	8,603	8,603
Share plan settlements	-	76	-	-	76
Exchange differences arising on translation of foreign operations	-	-	11	-	11
Total comprehensive profit for the period	-	76	11	8,603	8,690
Dividends paid to shareholders	-	-	-	(11,353)	(11,353)
Share-based payments	318	-	-	-	318
Balance at 31 December 2020	**255,372**	**(3,112)**	**376**	**(28,452)**	**224,184**
Balance at 1 July 2021	253,726	(2,126)	260	(29,395)	222,465
Loss for the period	-	-	-	(39,102)	(39,102)
Exchange differences arising on translation of foreign operations	-	-	153	-	153
Total comprehensive profit (loss) for the period	-	-	153	(39,102)	(38,949)
Dividends paid to shareholders	-	-	-	(9,891)	(9,891)
Share-based payments	385	-	-	-	385
Balance at 31 December 2021	**254,111**	**(2,126)**	**413**	**(78,388)**	**174,010**

To be read in conjunction with the accompanying notes.

FLEETWOOD LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
HALF YEAR ENDED 31 DECEMBER 2021

		Consolidated	
	Note	**31 Dec 2021 $ '000**	**31 Dec 2020 $ '000**
Cash flows from operating activities			
Receipts from customers		234,135	196,241
Payments to suppliers		(220,575)	(173,914)
Interest received		44	119
Income taxes refunded (paid)		(3,859)	1,750
Finance costs paid		(743)	(407)
Net cash provided by operating activities		**9,002**	**23,789**
Cash flows from investing activities			
Proceeds from sale of non-current assets		705	1,835
Acquisition of property, plant and equipment		(5,684)	(2,343)
Acquisition of intangible assets		(474)	(470)
Payment for acquisition of subsidiary		-	-
Net cash used in investing activities		**(5,453)**	**(978)**
Cash flows from financing activities			
Project finance advance	7	8,698	(8,698)
Repayment of principle of lease liabilities		(3,689)	(3,854)
Dividends paid to shareholders	3	(9,891)	(11,353)
Net cash used in financing activities		**(4,882)**	**(23,905)**
Net decrease in cash and cash equivalents		(1,333)	(1,094)
Cash and cash equivalents at the beginning of the financial year		57,567	65,726
Effect of exchange rate changes on cash held in foreign currencies		2	7
Cash and cash equivalents at the end of the period		**56,236**	**64,639**

To be read in conjunction with the accompanying notes.

1. ABOUT THIS REPORT

1.1 Statement of compliance

The half year consolidated financial report of Fleetwood Limited and its subsidiaries (collectively, the Group) for the six months ended 31 December 2021 were authorised for issue by the Directors on 23 February 2022.

The half year consolidated financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. The half year financial report does not include all the information and disclosures required in the annual consolidated financial report, and should be read in conjunction with the most recent annual consolidated financial report as at 30 June 2021.

1.2 New standards adopted as at 1 July 2021

The accounting policies adopted in the preparation of the half year financial report are consistent with those followed in the preparation of the Group's annual consolidated financial report for the year ended 30 June 2021, except for the adoption of new standards effective as of 1 July 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the half year consolidated financial report of the Group.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

1.3 Significant accounting policies

The financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended 30 June 2021.

1.4 Comparative information

The half year consolidated financial report provide comparative information in respect of the previous period, which is reclassified where necessary in order to provide consistency with the current financial period.

2. ISSUES, REPURCHASES AND REPAYMENTS OF EQUITY SECURITIES

Issued and paid-up capital

94,198,742 (30 June 2021: 94,198,742) ordinary shares, fully paid.

3. DIVIDENDS

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

	31 Dec 2021 $ '000	31 Dec 2020 $ '000
Recognised amounts		
Final 2021 – paid 10.5 cents per share fully franked	9,891	-
Final 2020 - paid 5 cents per share fully franked	-	4,731
Special 2020 - paid 7 cents per share fully franked	-	6,622
	9,891	**11,353**

3. DIVIDENDS (continued)

Subsequent to 31 December 2021 the Directors declared a fully franked interim dividend of 2 cents per share to the holders of fully paid ordinary shares. The dividend will be paid on 1 April 2022. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $1,883,975.

4. 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.

Operating segments	Products / Services
RV Solutions	Manufacture, installation and distribution of recreational vehicle parts and accessories.
Building Solutions	Design, manufacture and sale of accommodation.
Community Solutions	Operation of communities (Formerly Accommodation Solutions).

Revenue and results by reportable operating segment:

	Revenue		Depreciation		Segment Result (EBITA) [1]	
	31 Dec 2021 $ '000	31 Dec 2020 $ '000	31 Dec 2021 $ '000	31 Dec 2020 $ '000	31 Dec 2021 $ '000	31 Dec 2020 $ '000
RV Solutions	41,407	30,552	1,837	1,887	5,054	3,749
Building Solutions [1]	151,374	117,010	4,437	4,564	(48,303)	4,083
Community Solutions	16,376	22,381	1,626	1,630	4,726	10,932
Operating segment total	**209,157**	**169,943**	**7,900**	**8,081**	**(38,523)**	**18,764**
Unallocated	-	-	406	315	(2,865)	(2,732)
Total	**209,157**	**169,943**	**8,306**	**8,396**	**(41,388)**	**16,032**
Amortisation of contract intangible (Building Solutions)					(1,137)	(1,919)
Profit (loss) before interest and tax (EBIT)					**(42,525)**	**14,113**
Finance costs					(743)	(683)
Profit (loss) before income tax benefit					**(43,268)**	**13,430**
Income tax benefit (expense)					4,623	(4,117)
Profit (loss) from continuing operations					**(38,645)**	**9,313**
Loss from discontinued operations					(457)	(710)
Profit (loss) attributable to members of the parent entity					**(39,102)**	**8,603**

[1] Underlying EBITA for Building Solutions for the period was an $8.5 million loss (31 December 2020: $4.1 million profit).

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

The following is an analysis of assets and liabilities by reportable operating segment:

	Segment assets		Segment liabilities	
	31 Dec 2021 $ '000	30 Jun 2021 $ '000	31 Dec 2021 $ '000	30 Jun 2021 $ '000
RV Solutions	51,320	49,686	15,038	16,927
Building Solutions	188,888	194,449	121,082	82,609
Community Solutions	22,659	27,028	4,953	5,388
Operating segment total	**262,867**	**271,163**	**141,073**	**104,924**
Unallocated	55,176	64,305	2,960	8,079
Total	**318,043**	**335,468**	**144,033**	**113,003**

Unallocated segment assets include discontinued idle mining rental assets of $1.1 million (30 June 2021: $1.1 million) and caravan manufacturing assets of $0.2 million (30 June 2021: $0.7 million).

5. SALES REVENUE

	Consolidated	
Continuing operations	**31 Dec 2021 $ '000**	**31 Dec 2020 $ '000**
Recognised at a point in time:		
RV Solutions	41,407	30,552
Total revenue recognised at a point in time	41,407	30,552
Recognised over time:		
Building Solutions	151,374	117,010
Community Solutions	16,376	22,381
Total revenue recognised over time	167,750	139,391
Total sales revenue	**209,157**	**169,943**

6. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	31 Dec 2021 $ '000	**30 Jun 2021 $ '000**
Trade and other receivables		
Current		
Trade receivables	42,972	45,776
Expected credit losses	(1,777)	(2,124)
Finance lease receivable	2,409	2,437
Other receivables	3,819	5,093
Total	**47,423**	**51,182**
Non-current		
Finance lease receivable	2,057	2,992
Total	**2,057**	**2,992**
Contract assets		
Current	**58,898**	**27,349**

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**
31 December 2021				
Gross carrying amount ($'000)	**38,739**	**1,874**	**2,359**	**42,972**
Expected credit loss rate ($'000)	-	-	1,777	1,777
Lifetime expected credit loss	0%	0%	75%	4%
30 June 2021				
Gross carrying amount ($'000)	38,261	4,746	2,769	45,776
Expected credit loss rate ($'000)	743	-	1,381	2,124
Lifetime expected credit loss	2%	0%	50%	5%

Movements in expected credit losses during the period are set out below:

	30 Jun 2021 $ '000	**Arisen in period $ '000**	**Utilised $ '000**	**Recov-ered $ '000**	**31 Dec 2021 $ '000**
Expected credit losses	2,124		-	(347)	1,777

6. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (continued)

The Group 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**
31 December 2021							
Lease receivables	2,497	656	540	945	-	-	4,638
Finance income	(88)	(48)	(34)	(2)	-	-	(172)
Net present value	**2,409**	**608**	**506**	**943**	**-**	**-**	**4,466**
30 June 2021							
Lease receivables	2,563	1,357	540	1,215	-	-	5,674
Finance income	(126)	(62)	(41)	(291)	-	-	(246)
Net present value	**2,437**	**1,295**	**499**	**1,198**	**-**	**-**	**5,429**

Contract assets

The significant increase in contract assets at 31 December 2021 relates to the difference in timing of invoicing and activity on major projects being performed by the Group at this date and represents the increased activity leading up to the balance date compared to 30 June 2021. This is consistent with the increased activity in trade and other payables in the lead up to 31 December 2021 compared to 30 June 2021. Increased project activity at balance date compared to 30 June 2021 has also resulted in an increase in contract liabilities.

7. INTEREST BEARING RECEIVABLES

	31 Dec 2021 $ '000	**30 Jun 2021 $ '000**
Project finance advance	**-**	**8,698**

The receivable related 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 receivable was repaid to the Company during the period.

8. INVENTORIES

	31 Dec 2021 $ '000	**30 Jun 2021 $ '000**
Current		
Raw materials & stores	13,762	13,187
Finished goods	16,641	15,248
Stock obsolescence provision	(4,966)	(1,913)
Total	**25,437**	**26,522**

The stock obsolescence provision is allocated within the Company's segments as shown below:

	Note	**31 Dec 2021 $ '000**	**30 Jun 2021 $ '000**
Current			
RV Solutions		(2,224)	(1,913)
Building Solutions		(2,742)	-
Total	14	(4,966)	(1,913)

9. PROPERTY, PLANT AND EQUIPMENT

	31 Dec 2021 $ '000	30 Jun 2021 $ '000
Freehold land		
Cost	1,408	1,408
Buildings		
Cost	1,343	1,343
Accumulated depreciation	(523)	(506)
Balance	820	837
Leasehold property and improvements		
Cost	51,448	51,064
Accumulated amortisation	(43,035)	(42,669)
Balance	8,413	8,395
Plant and equipment		
Cost	106,131	104,425
Accumulated depreciation	78,454	(75,233)
Balance	27,677	27,192
Assets under construction		
Cost	2,184	2,011
Total	**40,502**	**39,843**

The following tables show the movements in property, plant and equipment:

	Freehold land $ '000	Buildings $ '000	Leasehold property and improvements $ '000	Plant and equipment $ '000	Assets under construction $ '000	Total $ '000
Balance at 1 July 2021	1,408	837	8,395	27,192	2,011	39,843
Additions	-	-	374	3,877	1,041	5,292
Transferred from assets under construction	-	-	-	392	-	392
Transferred to plant and equipment	-	-	-	-	(392)	(392)
Disposals	-	-	-	(252)	-	(252)
Depreciation	-	(17)	(356)	(3,542)	-	(3,915)
Transferred to project	-	-	-	-	(476)	(476)
Other	-	-	-	10	-	10
Balance at 31 December 2021	**1,408**	**820**	**8,413**	**27,677**	**2,184**	**40,502**
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 equipment	-	-	-	568	-	568
Transferred from assets under construction	-	-	-	124	-	124
Transferred to project	-	-	-	-	(167)	(167)
Disposals	(1,295)	-	-	(1,160)	-	(2,455)
Depreciation	-	(33)	(653)	(7,421)	-	(8,107)
Balance at 30 June 2021	**1,408**	**837**	**8,395**	**27,192**	**2,011**	**39,843**

10. INTANGIBLE ASSETS

	31 Dec 2021 $ '000	30 Jun 2021 $ '000
Product development		
At cost	3,985	2,092
Accumulated amortisation and impairment	(3,308)	(1,198)
Balance	677	894
Product development WIP		
At cost	-	1,949
Contract intangible		
Acquired	14,924	14,924
Accumulated amortisation and impairment	(14,924)	(11,079)
Balance	-	3,845
ERP software		
At cost	3,907	2,586
Accumulated amortisation	(1,641)	(1,288)
Balance	2,266	1,298
ERP software WIP		
At cost	499	1,514
Total	**3,442**	**9,500**

The following tables show the movements in intangible assets:

	Product development $ '000	Product development WIP $ '000	Contract intangible $ '000	ERP software $ '000	ERP software WIP $ '000	Total $ '000
Balance at 1 July 2021	894	1,949	3,845	1,298	1,514	9,500
Additions	5	-	-	33	436	474
Transferred from product development WIP	1,949	-	-	-	-	1,949
Transferred to product development	-	(1,949)	-	-	-	(1,949)
Transferred from ERP software WIP	-	-	-	1,288	-	1,288
Transferred to ERP software	-	-	-	-	(1,253)	(1,253)
Amortisation	(180)	-	(1,137)	(353)	-	(1,670)
Disposals	(42)	-	-	-	(198)	(240)
Impairment	(1,949)	-	(2,708)	-	-	(4,657)
Balance at 31 December 2021	**677**	**-**	**-**	**2,266**	**499**	**3,442**
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)
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**

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	31 Dec 2021 $ '000	30 Jun 2021 $ '000
Cost		
Opening balance	43,275	30,386
Right-of-use additions	562	15,359
Right-of-use modifications	(164)	13
Disposals	-	(2,483)
Total	43,673	43,275
Accumulated depreciation		
Opening balance	12,392	7,347
Depreciation charged this year (continuing operations)	3,858	7,312
Depreciation charged this year (discontinued operations)	-	216
Disposals	-	(2,483)
Total	16,250	12,392
Balance	**27,423**	**30,883**

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

Lease liabilities (current)	6,814	7,131
Lease liabilities (non-current)	21,325	24,246
Total lease liabilities	**28,139**	**31,377**

The Group has leases for offices, production facilities and related 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 on an index or a rate (such as lease payments based on a percentage of 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 Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. 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 Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Group 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 Group 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 Group'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	4	1-5 years	3 years	-	1	-
Production facilities and warehouses	22	1-8 years	3 years	-	6	-

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 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**
31 December 2021							
Lease payments	7,509	6,462	5,453	3,959	2,845	3,964	30,192
Finance charges	(695)	(517)	(362)	(235)	(151)	(93)	(2,053)
Net present value	**6,814**	**5,945**	**5,091**	**3,724**	**2,694**	**3,871**	**28,139**
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 value	**7,131**	**6,196**	**5,567**	**4,536**	**2,696**	**5,251**	**31,377**

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 leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

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

	31 Dec 2021 $ '000	**31 Dec 2020 $ '000**
Short term and low value leases	**229**	**384**

12. GOODWILL

	31 Dec 2021 $ '000	30 Jun 2021 $ '000
Goodwill	**43,522**	**72,066**
Reconciliation of the carrying amount of Goodwill:		
Gross carrying amount		
Opening balance	104,046	104,046
Total	104,046	104,046
Accumulated impairment		
Opening balance	(31,980)	(31,980)
Impairment loss in respect of Building Solutions	(28,544)	-
Total	(60,524)	(31,980)
RV Solutions	9,110	9,110
Community Solutions	2,196	2,196
Building Solutions	32,216	60,760
Balance	**43,522**	**72,066**

Goodwill is allocated to the Company's three cash-generating units: RV Solutions, Community Solutions and Building Solutions. Testing for impairment is carried out on an annual basis or whenever there is an indicator of impairment.

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 Cash-Generating Unit

Uncertainty around the recovery from COVID-19 related disruption to the business has been considered in the value in use calculation of the cash generating unit.

Given Building Solutions' underperformance compared to budget and historical forecasts, management have reviewed the carrying value. Whilst a significant portion of the underperformance can be attributed to COVID-related restrictions and cost increases on major projects, the company has also been impacted in the short term by raw material and wage inflation. The outcome of the review was an impairment charge to goodwill of $28.5 million (31 December 2020: nil) being recognised for Building Solutions. Additional charges of $11.3 million (31 December 2020: nil) (note 8, 10 and 14) were also recognised as a result of the review.

The calculation of value-in-use for the Building Solutions cash-generating unit is most sensitive to the following assumptions summarised below:

Assumptions	Rate
Pre-tax discount rate	13.6% - 17.1%
Growth rate	2.5%
Terminal growth rate	2.5%
Average EBITDA margin	3.4%

Discount rate - The mid-point discount rate of 15.4% (30 June 2021: 14.9%) represents the current market assessment of the risks specific to the cash-generating unit, taking into consideration the time value of money and any individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows to reflect a pre-tax discount rate.

Growth rate – A growth rate of 2.5% (30 June 2021: 2.8%) has been estimated based on management's historical ability to grow the cash-generating unit's revenues.

Average EBITDA margin – an EBITDA margin of 3.4% (30 June 2021: 6.7%) has been determined based on the forecast financial year 2022 results, normalised for the events and circumstances noted above.

12. GOODWILL (continued)

The following table describes the effect of changes to the above estimates on the impairment loss recorded in the Building Solutions cash-generating unit:

Assumptions	Increase / (decrease)	Effect
Pre-tax discount rate	1.0%	Further impairment loss of $5.6 million
Growth rate	(0.5%)	Further impairment loss of $4.7 million
EBITDA margin	(0.25%)	Further impairment loss of $11.0 million

COVID-19 Pandemic

The estimate of the recoverable amount of the Group's Building Solutions' cash-generating unit is sensitive to events and circumstances caused by the COVID-19 pandemic. Management's determination of the recoverable amount assumes no impact to the economic environment in which the cash-generating unit operates arising from COVID-19 developments in excess of those already being experienced as of 31 December 2021.

RV Solutions and Community Solutions Cash-Generating Units

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

13. FINANCING ARRANGEMENTS

	31 Dec 2021 $ '000	30 Jun 2021 $ '000
Facilities available		
Multi-option	50,000	50,000
Surety bonds	35,000	35,000
Total facilities available	**85,000**	**85,000**
Facilities utilised		
Multi-option	8,817	5,803
Surety bonds	14,066	11,858
Total facilities utilised	**22,883**	**17,661**
Facilities not utilised		
Multi-option	41,183	44,197
Surety bonds	20,934	23,142
Total facilities not utilised	**62,117**	**67,339**
Multi-option facility utilisation		
Bank loans	-	-
Bank guarantees	8,817	5,803
Multi-option facility utilised	**8,817**	**5,803**

Multi-option

Multi-option facility allows the Company 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 0.90% (30 June 2021: 0.95%) plus a line fee of 0.85% (30 June 2021: 0.90%). Bank guarantees are utilised for construction contracts. No liability has been recognised in the 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.

Bank loans

Bank loans are secured by a mortgage debenture over the assets of the consolidated entity and bear interest at a rate plus 0.90% (30 June 2021: 0.95%) plus a line fee of 0.85% (30 June 2021: 0.95%).

Bank guarantees

Bank guarantees are utilised for construction contracts. No liability has been recognised in the statement of financial position in respect of bank guarantees.

14. PROVISIONS

	31 Dec 2021 $ '000	30 Jun 2021 $ '000
Current		
Employee benefits	7,297	6,488
Provision for warranty and buy-back	4,719	1,641
Other provisions	414	14
Total	**12,430**	**8,143**
Non-current		
Employee benefits	813	706
Total	**813**	**706**

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

	Note	30 Jun 2021 $ '000	Arisen in period $ '000	Utilised $ '000	Recov-ered $ '000	31 Dec 2021 $ '000
Stock obsolescence	8	1,913	3,237	(184)	-	4,966
Warranty and buy-back		1,641	3,896	(818)	-	4,719
Other		14	400	-	-	414
Total		**3,568**	**7,533**	**(1,002)**	**-**	**10,099**

The warranty and buy-back provision comprises of $4.6 million (30 June 2021: $1.3 million) related to Building Solutions and $0.1 million (30 June 2021: $0.3 million) relating to the discontinued caravan manufacturing business.

The estimation technique for accounting for warranties in the Building Solutions business has been reassessed following growth in the size and complexity of projects undertaken.

15. 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	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 of the Caravan Manufacturing business.

15. DISCONTINUED OPERATIONS (continued)

	Resource Sector Rental Operations		Caravan Manufacturing		Total Discontinued Operations	
	31 Dec 2021 $ '000	31 Dec 2020 $ '000	31 Dec 2021 $ '000	31 Dec 2020 $ '000	31 Dec 2021 $ '000	31 Dec 2020 $ '000
15.1 Financial results						
Revenue	-	-	95	1,232	95	1,232
Expenses	(50)	(50)	(698)	(2,193)	(748)	(2,243)
Loss from discontinued operation before income tax	**(50)**	**(50)**	**(603)**	**(961)**	**(653)**	**(1,011)**
Attributable income tax benefit	15	15	181	286	196	301
Loss from discontinued operation after income tax	**(35)**	**(35)**	**(422)**	**(675)**	**(457)**	**(710)**
15.2 Cashflow information						
Net cash outflows from operating activities	-	-	(523)	(1,230)	(523)	(1,230)
Net cash outflows from investing activities	-	-	-	-	-	-
Net cash outflows from discontinued operations	**-**	**-**	**(523)**	**(1,230)**	**(523)**	**(1,230)**

	31 Dec 2021 $ '000	30 Jun 2021 $ '000	31 Dec 2021 $ '000	30 Jun 2021 $ '000	31 Dec 2021 $ '000	30 Jun 2021 $ '000
15.3 Financial Position						
Assets	1,129	1,147	225	686	1,354	1,833
Liabilities	-	-	177	523	177	523
Net assets in discontinued operations	**1,129**	**1,147**	**48**	**163**	**1,177**	**1,310**

	31 Dec 2021 $ '000	31 Dec 2020 $ '000
15.4 Loss per share from discontinued operation		
Basic loss per share (cents)	(0.5)	(0.8)
Diluted loss per share (cents)	(0.5)	(0.8)
Profit (loss) attributable to members of the consolidated entity relates to:		
Profit (loss) from continuing operations	(38,645)	9,313
Loss from discontinued operations	(457)	(710)
Profit (loss) for the period	**(39,102)**	**8,603**

16. EVENTS AFTER THE REPORTING PERIOD

On 23 February 2022, the Directors declared an interim dividend of 2 cents per share with respect to the half year ended 31 December 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 review report to the members of Fleetwood Limited

Conclusion

We have reviewed the accompanying half-year financial report of Fleetwood Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2021, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

Russell Curtin
Partner
Perth
23 February 2022