

Appendix 4D

Half-year financial report

For the half-year ended 31 December 2020

JB Hi-Fi Limited

ACN 093 220 136

This half-year financial report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3.

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JB Hi-Fi Limited

ACN 093 220 136

Reporting period

Half-year ended 31 December 2020

Comparative period

Half-year ended 31 December 2019

Results for announcement to the market

		<i>Percentage change %</i>		<i>Amount \$m</i>
Revenue from ordinary activities	up	23.7%	to	4,941.2
Profit from ordinary activities after tax	up	86.2%	to	317.7
Net profit attributable to members of JB Hi-Fi Limited	up	86.2%	to	317.7

Dividend information

	<i>Amount per security</i>	<i>Franked amount per security</i>
Final dividend – year ended 30 June 2020	90.0¢	90.0¢
Interim dividend – year ended 30 June 2021	180.0¢	180.0¢

Record date for determining entitlements to the dividend:

- final dividend
- interim dividend

28 August 2020
26 February 2021

Dividend payment date:

- final dividend
- interim dividend

11 September 2020
12 March 2021

Net Tangible Assets Per Security

	<i>31 Dec 2020 \$</i>	<i>31 Dec 2019 \$</i>
Net tangible assets per security	2.22	0.39

Other information

This report is based on the half-year consolidated financial statements which have been reviewed by Deloitte.

For a brief explanation of the figures above please refer to the Announcement on the results for the half-year ended 31 December 2020 and the notes to the financial statements.

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**Half-year financial report
for the half-year 31 December 2020**

JB Hi-Fi Limited

Half-year financial report

for the half-year ended 31 December 2020

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This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by JB Hi-Fi Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Directors' report

The directors of JB Hi-Fi Limited ("the Company") submit herewith the half-year financial report of the consolidated entity consisting of the Company and the entities it controlled ("the Group") for the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The following persons held office as directors of JB Hi-Fi Limited during and since the end of the financial period:

Mr Stephen Goddard (Chairman)
Ms Beth Laughton
Mr Richard Murray
Mr Mark Powell
Mr Richard Uechtritz
Ms Melanie Wilson

As announced to the ASX on 18 January 2021, Geoff Roberts has been appointed as a non-executive director with effect from 16 January 2021. Having been appointed by the Board as an additional appointee, Geoff will stand for election at the Company's Annual General Meeting in October 2021.

Review of operations

The Group's net profit attributable to owners of JB Hi-Fi Limited for the half-year was \$317.7 million (2019: \$170.6 million). A review of the operations of the Group during the half-year and the results of these operations are set out in the Announcement on the results for the half-year ended 31 December 2020.

Auditor's independence declaration

The auditor's independence declaration is included on page 2 of the half-year financial report.

Rounding off of amounts

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

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

On behalf of the directors



Richard Murray
Group Chief Executive Officer

Melbourne,
15 February 2021

Board of Directors
JB Hi-Fi Limited
Podium level, 60 City Road
Southbank VIC 3006

15 February 2021

Dear Board Members

Auditor's Independence Declaration to JB Hi-Fi Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of JB Hi-Fi Limited.

As lead audit partner for the review of the financial statements of JB Hi-Fi Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully


DELOITTE TOUCHE TOHMATSU



Travis Simkin
Partner
Chartered Accountants

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Independent Auditor's Review Report to the members of JB Hi-Fi Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of JB Hi-Fi Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2020, and the condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 6 to 17.

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 is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Travis Simkin

Travis Simkin
Partner
Chartered Accountants
Melbourne, 15 February 2021

Directors' declaration

The directors declare that:

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

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

On behalf of the Directors



Richard Murray
Group Chief Executive Officer

Melbourne,
15 February 2021

JB Hi-Fi Limited
Condensed consolidated statement of profit or loss

	Notes	Half-year ended	
		31 December 2020 \$m	31 December 2019 \$m
Revenue	2	4,941.2	3,995.2
Cost of sales		<u>(3,856.0)</u>	<u>(3,135.0)</u>
Gross Profit		1,085.2	860.2
Other income		2.1	1.3
Sales and marketing expenses		(433.9)	(407.3)
Occupancy expenses		(146.1)	(149.4)
Administration expenses		(21.0)	(21.3)
Other expenses		(22.5)	(20.0)
Finance costs		(13.3)	(18.3)
Profit before tax		450.5	245.2
Income tax expense		(132.8)	(74.6)
Profit for the half-year attributable to Owners of the Company		317.7	170.6
		Cents	Cents
Earnings per share			
Basic (cents per share)	3	276.5	148.5
Diluted (cents per share)	3	274.7	147.5

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

JB Hi-Fi Limited

Condensed consolidated statement of profit or loss and other comprehensive income

	Half-year ended	
	31 December 2020 \$m	31 December 2019 \$m
Profit for the half-year	317.7	170.6
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Changes in the fair value of cash flow hedges (net of tax)	-	(0.1)
Exchange differences on translation of foreign operations	0.1	0.4
Other comprehensive income for the half-year (net of tax)	0.1	0.3
Total comprehensive income for the half-year attributable to Owners of the Company	317.8	170.9

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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JB Hi-Fi Limited
Condensed consolidated balance sheet

	Notes	31 December 2020 \$m	30 June 2020 \$m	31 December 2019 \$m
ASSETS				
Current assets				
Cash and cash equivalents		472.8	251.5	76.8
Trade and other receivables	5	322.6	220.3	386.6
Inventories		1,135.4	739.3	1,132.3
Other current assets		35.4	34.7	37.6
Total current assets		1,966.2	1,245.8	1,633.3
Non-current assets				
Plant and equipment		170.7	172.3	189.5
Deferred tax assets		31.2	22.2	20.8
Intangible assets	6	1,031.4	1,031.4	1,031.4
Right-of-use assets		586.4	642.2	724.0
Other non-current assets		38.4	38.4	38.9
Total non-current assets		1,858.1	1,906.5	2,004.6
Total assets		3,824.3	3,152.3	3,637.9
LIABILITIES				
Current liabilities				
Trade and other payables	7	1,289.1	854.1	1,025.1
Deferred revenue		223.3	196.6	175.5
Provisions		100.8	98.9	91.0
Lease liabilities		168.1	164.0	162.7
Other current liabilities		-	-	0.3
Current tax liabilities		87.5	32.3	21.5
Total current liabilities		1,868.8	1,345.9	1,476.1
Non-current liabilities				
Borrowings		-	-	292.3
Deferred revenue		81.6	81.6	83.8
Provisions		41.9	41.5	39.9
Lease liabilities		514.0	577.6	648.5
Total non-current liabilities		637.5	700.7	1,064.5
Total liabilities		2,506.3	2,046.6	2,540.6
Net assets		1,318.0	1,105.7	1,097.3
EQUITY				
Contributed equity	10	393.1	403.2	419.7
Reserves		74.9	66.8	59.9
Retained earnings		850.0	635.7	617.7
Total equity		1,318.0	1,105.7	1,097.3

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

JB Hi-Fi Limited
Condensed consolidated statement of changes in equity

Notes	Contributed equity \$m	Equity- settled benefits reserve \$m	Foreign currency translation reserve \$m	Hedging reserves \$m	Common control reserve \$m	Retained earnings \$m	Total equity \$m
Balance at 1 July 2019	434.8	54.2	5.0	0.6	(6.1)	555.6	1,044.1
Adjustment on adoption of AASB 16 (net of tax)	-	-	-	-	-	(49.9)	(49.9)
Restated total equity at the beginning of the financial period	434.8	54.2	5.0	0.6	(6.1)	505.7	994.2
Profit for the half-year	-	-	-	-	-	170.6	170.6
Cash flow hedges (net of tax)	-	-	-	(0.1)	-	-	(0.1)
Exchange difference on translation of foreign operations	-	-	0.4	-	-	-	0.4
Total comprehensive income for the half-year	-	-	0.4	(0.1)	-	170.6	170.9
Allocation of shares under share option plans	10	1.1	-	-	-	-	1.1
Dividends provided for or paid	4	-	-	-	-	(58.6)	(58.6)
Share-based payments - expense		-	5.3	-	-	-	5.3
Share-based payments - income tax		-	0.6	-	-	-	0.6
Acquisition of shares by employee share trust	10	(16.2)	-	-	-	-	(16.2)
Balance at 31 December 2019	419.7	60.1	5.4	0.5	(6.1)	617.7	1,097.3
Balance at 1 July 2020	403.2	67.5	4.6	0.8	(6.1)	635.7	1,105.7
Profit for the half-year	-	-	-	-	-	317.7	317.7
Exchange difference on translation of foreign operations	-	-	0.1	-	-	-	0.1
Total comprehensive income for the half-year	-	-	0.1	-	-	317.7	317.8
Dividends provided for or paid	4	-	-	-	-	(103.4)	(103.4)
Share-based payments - expense		-	6.4	-	-	-	6.4
Share-based payments - income tax		-	1.6	-	-	-	1.6
Acquisition of shares by employee share trust	10	(10.1)	-	-	-	-	(10.1)
Balance at 31 December 2020	393.1	75.5	4.7	0.8	(6.1)	850.0	1,318.0

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

JB Hi-Fi Limited
Condensed consolidated statement of cash flows

		Half-year ended	
		31 December	31 December
		2020	2019
Notes		\$m	\$m
Cash flows from operating activities			
	Receipts from customers	5,425.1	4,387.4
	Payments to suppliers and employees	(4,881.3)	(4,027.5)
	Interest received	1.1	0.5
	Interest and other finance costs paid on borrowings	(2.1)	(5.4)
	Interest on lease liabilities	(11.1)	(12.8)
	Income taxes paid	(85.0)	(57.7)
9	Net cash inflow from operating activities	<u>446.7</u>	<u>284.5</u>
Cash flows from investing activities			
	Payments for plant and equipment	(28.0)	(26.3)
	Proceeds from sale of plant and equipment	-	0.1
	Net cash (outflow) from investing activities	<u>(28.0)</u>	<u>(26.2)</u>
Cash flows from financing activities			
	Proceeds from issue of shares	-	1.1
10	Repayment of borrowings	-	(147.0)
	Payment of lease liabilities	(84.0)	(80.1)
10	Payments for shares acquired by the employee share trust	(10.1)	(16.2)
4	Dividends paid to owners of the Company	(103.4)	(58.6)
	Net cash (outflow) from financing activities	<u>(197.5)</u>	<u>(300.8)</u>
	Net (decrease)/increase in cash and cash equivalents	221.2	(42.5)
	Cash and cash equivalents at the beginning of the half-year	251.5	119.2
	Effects of exchange rate changes on cash and cash equivalents	0.1	0.1
	Cash and cash equivalents at end of the half-year	<u>472.8</u>	<u>76.8</u>

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

1 Summary of significant accounting policies

This general purpose financial report for the half-year ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by JB Hi-Fi Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

(a) Basis of preparation of half-year financial report

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2020 annual financial report for the financial year ended 30 June 2020, except for the impact of the adoption of the new and revised accounting policies discussed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Comparative figures are shown for 31 December 2019 in addition to 30 June 2020 in the balance sheet due to the seasonality of the business and the impact this has on working capital.

(b) New accounting standards and interpretations

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

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

(i) *AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business*

The adoption of this amending Standard did not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

(ii) *AASB 2018-6 Amendments to Australian Accounting Standards - Definition of Material*

The adoption of this amending Standard did not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

(iii) *AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework*

The adoption of this amending Standard did not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

(iv) *AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform*

The adoption of this amending Standard did not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

(v) *AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*

The adoption of this amending Standard did not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

(vi) *AASB 2020-4 Amendments to Australian Accounting Standards - Covid-19 Related Rent Concessions*

The adoption of this amending Standard did not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

1 Summary of significant accounting policies (continued)

(c) Rounding off of amounts

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

2 Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Group Chief Executive Officer that are used to make strategic and operating decisions.

The Group Chief Executive Officer considers the business primarily from a brand and geographic perspective. On this basis management has identified three reportable segments, JB Hi-Fi Australia ("JB Aust"), JB Hi-Fi New Zealand ("JB NZ") and The Good Guys ("TGG"). The Group Chief Executive Officer monitors the performance of these three segments separately. The Group does not operate under any other brand or in any other geographic segment.

(b) Segment information provided to the Group Chief Executive Officer

The segment information provided to the Group Chief Executive Officer for the reportable segments for the half-year ended 31 December 2020 is as follows:

31 Dec 2020	JB Aust	JB NZ	TGG	Total
	\$m	\$m	\$m	\$m
Revenue from external customers	3,355.7	135.0	1,450.5	4,941.2
EBIT	329.8	6.4	126.6	462.8
Total segment assets	2,185.9	65.6	1,777.5	4,029.0
Total segment liabilities	1,872.8	52.9	785.3	2,711.0
31 Dec 2019	JB Aust	JB NZ	TGG	Total
	\$m	\$m	\$m	\$m
Revenue from external customers	2,722.4	125.3	1,147.5	3,995.2
EBIT	209.3	1.4	52.3	263.0
Total segment assets	1,942.0	78.3	1,663.6	3,683.9
Total segment liabilities	1,746.7	44.5	795.4	2,586.6

(i) EBIT

The Group Chief Executive Officer assesses the performance of the operating segments based on a measure of EBIT. This measurement basis excludes the effects of interest revenue, finance costs (including interest on leases) and income tax.

A reconciliation of consolidated EBIT to operating profit before income tax is provided as follows:

	Half-year ended	
	31 December	31 December
	2020	2019
	\$m	\$m
EBIT	462.8	263.0
Interest on leases	(11.1)	(12.8)
Interest revenue	1.1	0.5
Other finance costs	(2.3)	(5.5)
Profit before income tax	450.5	245.2

2 Segment information (continued)

(c) Segment assets

	Half-year ended	
	31 December 2020 \$m	31 December 2019 \$m
Segment assets	4,029.0	3,683.9
Intersegment eliminations	(204.7)	(46.0)
Total assets per balance sheet	3,824.3	3,637.9

(d) Segment liabilities

	Half-year ended	
	31 December 2020 \$m	31 December 2019 \$m
Segment liabilities	2,711.0	2,586.6
Intersegment eliminations	(204.7)	(46.0)
Total liabilities per balance sheet	2,506.3	2,540.6

(e) Product information

The Group operates in one product and services segment, being the sale of consumer electronics products and services, including televisions, audio equipment, computers, cameras, telecommunications products and services, software, musical instruments, whitegoods, cooking products, heating and cooling products, small appliances, kitchen accessories and information technology and consulting services. The Group's revenue is primarily generated on a point in time basis. The amount of revenue recognised by the Group on an 'over time' basis is not material in the context of the Group's total revenue.

(f) Covid-19

The Group's operations continued to be affected by the Covid-19 pandemic and resulting government actions during the half-year end 31 December 2020.

Sales momentum was strong throughout the half, with continued elevated customer demand for consumer electronics and home appliance products. This combined with exceptional growth in online sales and a well-executed Black Friday and Christmas promotional period, more than offset the impact of the government mandated temporary store closures during the half.

Disciplined cost control combined with strong sales growth drove significant operating leverage. The Group did not receive any government wage subsidies and continued to pay landlords and team members throughout the half, including the periods where stores were temporarily closed.

3 Earnings per share

	31 December 2020 Cents	31 December 2019 Cents
Basic (cents per share)	276.5	148.5
Diluted (cents per share)	274.7	147.5

(a) Reconciliation of earnings used in calculating earnings per share

	31 December 2020 \$m	31 December 2019 \$m
<i>Basic earnings per share</i>		
Profit for the half-year attributable to owners of the Company	317.7	170.6
<i>Diluted earnings per share</i>		
Profit for the half-year attributable to owners of the Company	317.7	170.6

(b) Weighted average number of shares used as the denominator

	31 December 2020 No. m	31 December 2019 No. m
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	114.9	114.9
Adjustments for calculation of diluted earnings per share:		
Options	0.8	0.8
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	115.7	115.7

Details of movements in ordinary shares during the current and prior half-year reporting periods are set out in note 10.

(c) Information concerning the classification of securities

Options

Options granted to employees under the Group's executive and employee share option plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

4 Dividends

	31 December 2020		31 December 2019	
	Cents per share	\$m	Cents per share	\$m
Recognised amounts				
Final dividend - previous financial year	90.0	103.4	51.0	58.6
Unrecognised amounts				
Interim dividend - current financial year	180.0	206.8	99.0	113.7

In respect of the half-year ended 31 December 2020, the directors have recommended the payment of an interim dividend of 180.0 cents per share. The record date is 26 February 2021.

All dividends declared and subsequently paid by the Company are franked to 100% at the 30% corporate income tax rate.

5 Trade and other receivables

	31 December 2020	30 June 2020	31 December 2019
	\$m	\$m	\$m
Trade receivables	90.5	59.7	88.5
Allowance for expected credit losses	(2.2)	(1.5)	(1.7)
	88.3	58.2	86.8
Non-trade receivables	234.3	162.1	299.8
	322.6	220.3	386.6

6 Intangible assets

	Goodwill	Brand names	Location premiums	Rights to profit share	Total
	\$m	\$m	\$m	\$m	\$m
Half-year 31 December 2019					
Opening net book amount	747.0	284.4	2.4	3.5	1,037.3
Adjustment on adoption of AASB 16	-	-	(2.4)	(3.5)	(5.9)
Closing net book amount	747.0	284.4	-	-	1,031.4
Half-year 31 December 2020					
Opening net book amount	747.0	284.4	-	-	1,031.4
Closing net book amount	747.0	284.4	-	-	1,031.4

The Group has performed an assessment of impairment indicators at the end of the reporting period, following the full impairment testing that was conducted at 30 June 2020. There were no indicators of impairment identified that required a full impairment test to be conducted at the end of the reporting period.

7 Trade and other payables

	31 December 2020 \$m	30 June 2020 \$m	31 December 2019 \$m
Trade payables	1,226.0	796.2	933.0
Goods and services tax (GST) payable	36.1	22.6	56.8
Other creditors and accruals	27.0	35.3	35.3
	1,289.1	854.1	1,025.1

8 Borrowings

	31 December 2020 \$m	30 June 2020 \$m	31 December 2019 \$m
Unsecured			
Bank loans	-	-	292.3

During the half-year, due to the Group's strong cash position, the Group's trade finance facility was reduced from \$400.0 million to \$200.0 million and the Group's term debt facilities were reduced from \$380.0 million to \$238.0 million. The Group's bank overdraft facilities of \$59.3 million remain unchanged and therefore the Group has available borrowing facilities of \$497.3 million at 31 December 2020 in addition to cash on hand of \$472.8 million.

Due to having no drawn debt, the Group has not held any interest rate swaps or interest rate caps during the half-year.

9 Reconciliation of profit after income tax to net cash inflow from operating activities

	Half-year ended 31 December 2020 \$m	31 December 2019 \$m
Profit for the half-year	317.7	170.6
Depreciation and amortisation	109.1	109.1
Non-cash employee benefits expense - share-based payments	6.4	5.3
Net loss on disposal of non-current assets	0.1	0.2
Fair value adjustment to derivatives	-	(0.1)
Change in operating assets and liabilities:		
(Increase) decrease in inventories	(396.0)	(245.6)
(Increase) decrease in current receivables	(99.8)	(132.2)
(Increase) decrease in other current assets	(0.8)	(3.2)
(Increase) decrease in deferred tax assets	(9.0)	0.7
(Decrease) increase in current provisions	1.1	5.6
(Decrease) increase in current payables	426.3	357.5
(Decrease) increase in deferred revenue	29.3	3.3
(Decrease) increase in non-current provisions	1.0	(3.1)
(Decrease) increase in other non-current liabilities	4.5	-
(Decrease) increase in current tax liabilities	56.8	16.4
Net cash inflow from operating activities	446.7	284.5

10 Contributed equity

(a) Movements in ordinary share capital

Date	Details	Number of shares	\$m
1 July 2019	Opening balance	114,883,372	434.8
	Shares acquired by employee share trust	(517,761)	(16.2)
	Allocation of shares under share option, variable reward and deferred STI plans	501,555	1.1
	Balance excluding shares held by employee share trust	114,867,166	419.7
31 December 2019	Unallocated shares held by employee share trust	16,206	-
	Closing balance	114,883,372	419.7
Date	Details	Number of shares	\$m
1 July 2020	Opening balance	114,883,372	403.2
	Unallocated shares held by employee share trust	(351,596)	-
	Balance excluding shares held by employee share trust	114,531,776	403.2
	Shares acquired by employee share trust	(214,364)	(10.1)
31 December 2020	Allocation of shares under share option, variable reward and deferred STI plans	562,437	-
	Balance excluding shares held by employee share trust	114,879,849	393.1
	Unallocated shares held by employee share trust	3,523	-
	Closing balance	114,883,372	393.1

(b) Share options

During the half-year reporting period, the Company issued 141,974 share options (2019: 217,561) over ordinary shares under its executive and employee share option plan.

11 Fair value measurements

The only financial assets or financial liabilities carried at fair value are interest rate swaps.

These instruments are considered to be Level 2 financial instruments because, unlike Level 1 financial instruments, their measurement is derived from inputs other than quoted prices that are observable for the assets or liabilities, either directly (as prices) or indirectly (derived from prices).

The fair value of the interest rate swaps at 31 December 2020 was nil (31 December 2019: \$0.3m liability). The interest rate swaps fair value was obtained from third party valuations derived from discounted cash flow forecasts of interest rates from observable yield curves at the end of the reporting period and contract interest rates.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the half-year. The carrying amount of other financial assets and financial liabilities recorded in the financial statements approximate their fair values.

12 Events occurring after the reporting period

There have been no matters or circumstances other than as set out in the directors' report occurring subsequent to the end of the half-year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.