

Thomas Foods fire deals a \$24m blow

CAMERON ENGLAND

THE fire that destroyed the Thomas Foods abattoir at Murray Bridge in January last year also put a \$24 million hole in the company's earnings.

Thomas Foods International's financial report for the 2017-18 financial year showed the company still managed to increase before tax profit by just more than \$1 million to \$69.2 million.

The after-tax result, including the one-off cost of the fire, was a \$28.6 million profit, down from 41.7 million.

The company also paid out \$67.3 million in profit to its shareholders, up from nothing the year before. Turnover was \$1.57 billion, up from \$1.33 billion.

The Thomas Foods abattoir was destroyed by an accidentally-started fire on January 3 last year.

This year's Federal Budget set aside \$7 million for a roadworks upgrade to support a new abattoir, despite the company not yet saying publicly where a new operation might be built, or when.

About 1400 people were employed at the Murray Bridge operation, with the company deploying as many as possible to other sites.

The financial report says that a final insurance settlement for the incident was reached on July 25 last year, after the end of the financial year.

The company said in the report that the board and executive team reacted quickly following the fire to increase production at other sites and avert disruption to the business.

"This mitigation program was effective and was supported by significant capital investment in these remaining facilities to sustain the increased throughput," the company said.

"As a result, the consolidated entity was able to finish the year with production and sales volumes for small stock broadly in line with the prior year.

"This loss was partially offset in the year by instalment payments required under the group's industrial special risk policy."