



ASX Announcement

Re-issued financial statements

Pure Foods Tasmania Limited (ASX: PFT)

29 November 2024

Pure Foods Tasmania Ltd (ASX:PFT) ('PFT' or 'the Company') is pleased to release its re-issued financial statements as at 30 June 2024 (**Re-Issued Financial Statements**).

The Re-issued Financial Statements indicate that the previously issued financial statements for the year ended 30 June 2024 (**Original Financial Statements**) have been revised and reissued. This is to reflect the effects of the information which became available subsequent to the issue of the Independent Auditor's Report dated 30 September 2024, and therefore not previously incorporated at that time (see Note 25 of the Re-issued Financial Statements for further detail).

The key further facts that have become known in regard to the re-financing of the Company resulted in \$1.845m converting to a non-current liability and not due for maturity within the next 12 months.

The new information that has become available has resulted in the Auditor no longer issuing a qualified audit opinion (see page 61 of the Re-issued Financial Statements). Although the Auditor indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, the Auditor's Report is no longer modified in respect of this matter.

The Company continues to work with its key stakeholders, including its financiers, Auditor, advisers and the ASX in relation to the re-quotations of its securities on ASX.

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This announcement has been authorised and approved by the Chair of PFT on 29 November 2024

For further information, please contact:

Corporate

Malcolm McAully
Executive Chair
0362294546

About Pure Foods Tasmania (PFT)

Pure Foods Tasmania Pty Ltd was formed in 2015 with the aim to enhance and promote Tasmania's premium food and beverage businesses. PFT's strategy is to develop new premium products within our existing brands and in the plant-based food market, to acquire complementary brands and businesses and to increase our market penetration and distribution for our suite of brands and products globally. PFT's suite of brands and businesses include Woodbridge Smokehouse, Tasmanian Pate, Daly Potato Co, Pure Tasmanian Seafood, The Cashew Creamery and New Pastures.

purefoodstas.com

Pure Foods Tasmania Limited

Reissued Financial Statements

30 June 2024

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Pure Foods Tasmania Pty Ltd (PFT) was formed in 2015 with the aim to enhance and promote Tasmania's food and beverage businesses. PFT's strategy is to develop new products within its existing brands and in the plant-based food market, to acquire complementary brands and businesses and to increase its market penetration and distribution for its suite of brands and products globally.

PFT's stable of brands and businesses include Woodbridge Smokehouse, Tasmanian Pate, Daly Potato Co., and The Cashew Creamery.



Strategy

PFT's growth strategy encompasses several key themes:

1. organically grow its existing brands;
2. improve margins and capacity via automation of its production as products and brands reach scale;
3. secure key assets; and
4. grow via the acquisition of complementary/scalable products/brands/businesses to exploit product expansion opportunities.

PFT brands are targeted at the "conscious consumer", offering convenience and indulgent home entertaining products with a uniquely Tasmanian focus.

Organic growth will be achieved through increased penetration of existing markets, entry into new markets and new product development.

Pure Foods Tasmania Limited and its Controlled Entities

Your Directors present their report on the consolidated entity (referred to herein as the Group) consisting of Pure Foods Tasmania Limited and its controlled entities for the financial year ended 30 June 2024. The information in the preceding operating and financial review forms part of this Directors' report for the financial year ended 30 June 2024 and is to be read in conjunction with the following information:

General Information

Directors

The following persons were Directors of the Group during or since the end of the financial year up to the date of this report:

Malcolm McAully	Non-executive Chairman ¹
Michael Cooper ²	Managing Director
Ken Fleming	Non-executive Director

Dividends Paid or Recommended

No dividends were paid or declared during the financial year.

Indemnifying Officers or Auditor

During the financial year, the Group paid a premium in respect of a contract insuring the Directors of the Group, the Group Secretary and all Executive Officers of the entity and any related body corporate against a liability incurred as a Director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group or of any related corporate against a liability incurred as an officer or auditor.

Proceedings on Behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

¹ Executive Chairman from 30 August 2024.

² Resigned 30 August 2024.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence.

The following fees were paid or payable to WLF Accounting & Advisory for non-audit services provided during the year ended 30 June 2024:

Details	\$
Advisory taxation services	23,500
Accounting assistance	4,600
	28,100

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 16 of the financial report.

Information Relating to Directors and Group Secretary

	Details and Experience
Malcolm McAully	<p>Malcolm McAully is an experienced Company Director having held roles over a diverse range of industry backgrounds including financial services, energy generation, waste management, agribusiness, technology manufacturing, human resource management, property development and food manufacturing.</p> <p>Malcolm was the Chairman of ASX Listed Pinnacle VRB (ASX: PCE) from 2004 to 2005 and remained Chairman when the company (following an acquisition) changed its name to Cougar Energy Limited (ASX: CXY) until 2013 when he resigned. Malcolm is also Chairman of Chaucer Energy Limited and several privately owned companies.</p> <p>Malcolm has held various executive management positions including National Manager of MLC Life when owned by the Lend Lease Group. He holds an MBA and qualifications in accounting, business management, mediation, turn around management and GAICD.</p>

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	Details and Experience
Michael Cooper	<p>Michael Cooper is the Managing Director of PFT. Michael has over 29 years' experience in senior executive roles in the food and beverage industry. He was the CEO and later Managing Director of Juicy Isle Pty Ltd (JI) and sold his family interest to Myer Family Investments. JI was the largest supplier of organic juice in Australia to Woolworths, Coles, and Costco. He was also a director (2012 – 2017) of Ausfec Ltd, a \$550m revenue business. Ausfec was the major route to market distribution channel for global brands such as Cadbury, Nestle, Mars, Wrigley, Smith and SBA Snack Foods, Red Bull, and V Energy drinks.</p> <p>Michael joined the PFT Board in February 2017 and was appointed Managing Director on a part time basis in October 2018 and full time from April 2019.</p>
Ken Fleming	<p>Ken Fleming has extensive experience in capital markets and has held senior roles at Deutsche Bank (including Director; Global Co-ordinator – Telecommunications Technology), James Capel Australia and Tricom (Head of Research). He has also worked in the Australian public service (Canberra) and at KPMG (Melbourne). He is a Director of Castray Capital Pty Ltd and holds an Honours Degree in Economics and post graduate qualifications in economics and finance and is also a Fellow of the Financial Services Institute of Australia (FFIN).</p>
Justin Hill	<p>Justin is a Principal at Page Seager Lawyers – the largest law firm in Tasmania. Justin advises clients in a number of key industry sectors, including agribusiness, financial services, energy, and the not-for-profit sector. He specialises in mergers and acquisitions, governance and corporate structures and restructures. Justin also has significant experience in finance (including derivative transactions) and advising on raising capital for companies by way of equity and debt. He also assists with preparing contracts of employment and provides employment advice on transfer of businesses.</p> <p>Justin has a first-class honours degree in Commerce, a Master's in Law from the University of Melbourne and a Graduate Diploma in Applied Finance and Investment. Before joining Page Seager as a Partner/Principal, Justin worked as in-house counsel for the investment banking division of Deutsche Bank in Sydney. Prior to working with Deutsche Bank, Justin was principal counsel in the institutional markets and investment division of National Australia Bank. Justin also practised for a number of years in the mergers and acquisitions team of Mallesons Stephen Jaques (now King & Wood Mallesons).</p>

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Meetings of Directors

During the financial year, 11 meetings of Directors (including committees of Directors) were held. Attendance by each Director during the year was as follows:

	Directors' Meetings	
	Eligible Meetings	Meetings Attended
Malcolm McAully	11	11
Michael Cooper	11	11
Ken Fleming	11	11

Remuneration of Directors and Senior Management

Information about the remuneration of Directors and senior management is set out in the Remuneration Report.

Review of Operations and Principal Activities

The Group's principal activities at the commence of the financial year are outlined in the Chairman's report and listed in the Events Subsequent to Balance Date.

Operating Results

The loss after tax of the Group for the financial year attributable to the members of Pure Foods Tasmania Limited was (\$3.9m) (2023: (\$1.8m)).

State of Affairs and Likely Developments

In the opinion of the Directors there were no significant changes in the state of affairs of the Group and its controlled entities that occurred during the financial year under review not otherwise disclosed in this report or the accompanying financial report. Reference should be made to the subsequent events note for changes in the state of affairs after balance date.

Events Subsequent to Balance Date

The Board, other than what is stated in the below section "Facts which have become known to the Auditor after the Financial Report has been issued", is not aware of any matter or circumstance not otherwise dealt within these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Facts which have become known to the Auditor after the Financial Report has been Issued

Since the signing and issue of the financial statements and audit opinion on 30 September 2024, further facts have become known in regard to the re-financing of the Group. As at 30 September 2024, the Group had the following facilities with the Commonwealth Bank of Australia (CBA) and National Australia Bank (NAB):

- \$1.5m market rate loan secured against a \$1.5m deposit facility with CBA with both maturing in November 2024;
- \$0.5m short-term secured loan with Amal Security Services and maturing in September 2024;
- \$1.4m asset finance liabilities with CBA which are secured over specific assets ranging with maturity dates from December 2024 to November 2028; and
- \$0.002m asset finance facility with NAB and maturing in September 2024.

As of 15 November 2024, the CBA has approved the:

- Extension of the \$1.5m cash backed Market Rate loan until 30 June 2026;
- Extending the temporary facility to \$1.6m and convert to a Better Business Loan expiring 30 June 2026; and
- Restructure of the existing equipment finance balloons of \$0.645m due in FY25. These facilities will be renegotiated over a further term on current repayments to repay them to nil. This will push the terms for each of these equipment finance contracts to 30 June 2026 or beyond.

The above approval of re-financing from CBA as at 15 November 2024 results in \$1.845m converting to a non-current liability and not due for maturity within the next 12 months. The remaining \$0.4m refinanced is to be repaid to the CBA in February 2025.

The \$0.5m short-term secured loan with Amal Security Services and was scheduled to mature in September 2024 has been paid down to \$0.110m with the remaining balance to be settled in November 2024.

In addition:

- The Board has also entered into negotiations for equipment sales for equipment totalling \$0.175m; and
- \$0.400m was raised in additional capital in October 2024.

As a result of the above information, the Director's resolved to amend and re-issue the financial statements to update the events occurring subsequent to balance date disclosures in Note 25. This enabled the auditors to issue an amended audit report expressing an opinion on the amended and reissued financial statements.

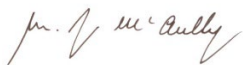
Withdrawal of previously issued 2024 Financial Statements

The Board has overseen the process in obtaining the additional information subsequent to the issuing of the financial statements on 30 September 2024. The obtaining of the additional

information as detailed above and in Note 25 of the financial statements has resulted in the reissuing of the financial statements to reflect this information.

There were no other matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Group and the results of those operations or the state of the affairs of the Group in the financial period subsequent to 30 June 2024.

On behalf of the Directors



Malcolm McAully

Director

Date: 28 November 2024

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Remuneration Policy

The remuneration policy of the Group has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of the Group believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the Group, as well as create goal congruence between Directors, executives, and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is based on the following:

- The remuneration policy is to be developed by the Board after professional advice is sought from independent external consultants.
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options, and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators (KPIs) have been met.
- Incentives paid in the form of options or rights are intended to align the interests of the Directors and Group with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Board reviews KMP packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed biannually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, and options. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP receive, at a minimum, a superannuation guarantee contribution required by the government, which, during the 2024 financial year was 11.0% of the individual's average weekly ordinary time earnings (AWOTE). Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to KMP is valued at the cost to the Group and expensed.

Performance-based Remuneration

KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance Conditions Linked to Remuneration

The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of revenue targets, return on equity ratios and continued employment with the Group.

Employment Details of Members of Key Management Personnel

The term Key Management Personnel refers to those persons having the authority and responsibility for planning, directing, and controlling activities of the Group, directly or indirectly, and includes any Director of the Group (whether executive or otherwise).

The KMP of the Group for the year ended 30 June 2024 were:

Key Management Personnel	Role	Appointment Date
Malcolm McAully	Non-executive Chairman	1 September 2017
Michael Cooper ³	Managing Director	1 February 2017
Ken Fleming	Non-executive Director	29 July 2015
Phillip Excell ⁴	Chief Financial Officer	20 March 2023

³ Resigned 30 August 2024.

⁴ Resigned 17 September 2024.

Remuneration Expense Details for the Year Ended 30 June 2024

		Short-term benefits			Post-employment benefits		Long-term benefits		Equity-settled share-based payments		Cash-settled share-based payments	Termination benefits	Total
		Salary, fees, and leave	Profit share and bonuses	Non-monetary	Pension and superannuation	Other	Incentive plans	LSL	Shares/units	Options/rights			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
KMP													
Malcolm McAully	2024	50,000	-	-	5,500	-	-	-	-	-	-	-	55,500
	2023	50,000	-	-	5,250	-	-	-	-	-	-	-	55,250
Michael Cooper ⁵	2024	302,732	-	-	33,000	-	-	-	-	-	-	-	335,732
	2023	300,771	-	-	31,499	-	-	-	-	-	-	-	332,270
Ken Fleming	2024	36,000	-	-	3,960	-	-	-	-	-	-	-	39,960
	2023	36,000	-	-	3,780	-	-	-	-	-	-	-	39,780

⁵ Resigned 30 August 2024.

Pure Foods Tasmania Limited – Reissued Financial Statements
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 Remuneration Report

		Short-term benefits			Post-employment benefits		Long-term benefits		Equity-settled share-based payments		Cash-settled share-based payments	Termination benefits	Total
		Salary, fees, and leave	Profit share and bonuses	Non-monetary	Pension and superannuation	Other	Incentive plans	LSL	Shares/units	Options/rights			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Charles Hughes ⁶	2024	-	-	-	-	-	-	-	-	-	-	-	-
	2023	174,270	-	-	17,779	-	-	-	-	-	-	-	192,049
Phillip Excell ⁷	2024	200,600	-	-	22,000	-	-	-	-	-	-	-	222,600
	2023	57,842	-	-	6,057	-	-	-	-	-	-	-	63,899
Total KMP	2024	589,332	-	-	64,460	-	-	-	-	-	-	-	653,792
	2023	618,883	-	-	64,365	-	-	-	-	-	-	-	683,248

⁶ Resigned 21 April 2023.

⁷ Resigned 17 September 2024.

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Securities Received that are not Performance-Related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

KMP Shareholdings

The number of ordinary shares held by each KMP of the Group during the financial year is as follows:

	Balance at Beginning of the Year	Granted as Remuneration During the Year	Issued on Exercise of Options During the Year	Purchases During the Year	Balance at End of Year
Malcolm McAully ⁸	2,599,518	-	280,886	-	2,880,404
Michael Cooper ⁸	4,404,682	-	1,382,230	-	5,786,912
Ken Fleming ⁸	2,668,975	-	625,500	-	3,294,475
Phillip Excell ⁸	-	255,102	-	-	255,102

⁸ Includes indirect shareholdings.

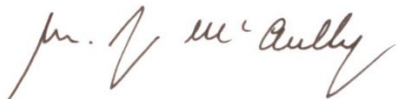
Other Equity-Related KMP Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights, and shareholdings.

Other Transactions with KMP and/or their Related Parties

There were no other transactions conducted between the Group and KMP or their related parties, apart from those disclosed above relating to equity, compensation, and loans, that were conducted other than in accordance with normal employee, customer, or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors:



Malcolm McAully

Director

Date: 28 November 2024

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Auditor's Independence Declaration



In accordance with section 307C of the *Corporations Act 2001*, we are pleased to provide the following declaration of independence to the Directors of Pure Foods Tasmania Limited. As the lead audit partner for the audit of the financial report of Pure Foods Tasmania Limited for the year ended 30 June 2024, we declare that, to the best of our knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of Pure Foods Tasmania Limited and the entities it controlled during the period.

Wise Lord & Ferguson

Wise Lord & Ferguson

A handwritten signature in blue ink, appearing to read 'Nick Carter', written over a light blue horizontal line.

Nick Carter

Partner

Wise Lord & Ferguson

Date: 28 November 2024

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Pure Foods Tasmania Limited – Reissued Financial Statements

ABN 13 112 682 158

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Notes	2024 \$	2023 \$
Revenue			
Revenue from continuing operations	6	7,442,902	8,748,338
Other income	6	51,816	979,190
Total Revenue		7,494,718	9,727,528
Expenses			
Cost of goods sold	7	7,346,394	7,701,421
Employment expenses		1,685,313	1,670,135
Occupancy, electricity, and telephone costs		238,066	187,896
Bad debts		798	16,983
Depreciation and amortisation		920,028	752,918
ASX listing fees and expenses		32,312	45,425
Finance costs		388,922	317,173
Impairment of assets		956,090	-
Insurance		194,891	165,731
Legal and professional fees		191,986	245,804
Marketing expenses		55,301	85,916
Motor vehicle expenses		35,999	44,323
Repairs and maintenance		283,780	209,271
Other expenses		405,110	521,982
Total Expenses		12,734,990	11,964,978
Net Loss Before Income Tax		(5,240,272)	(2,237,450)
Income tax benefit	8	1,358,877	410,117
Net Loss After Tax for the Year from Continuing Operations		(3,881,395)	(1,827,333)
Discontinued Operations			
Loss from discontinued operations after tax		(62,943)	-
Net Loss After Tax for the Year		(3,944,338)	(1,827,333)
Other Comprehensive Income			
Other comprehensive loss net of tax		-	-
Total Comprehensive Income		(3,944,338)	(1,827,333)

The above statement should be read in conjunction with the accompanying notes.

Pure Foods Tasmania Limited – Reissued Financial Statements
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 Consolidated Statement of Profit or Loss and Other Comprehensive Income
 For the Year Ended 30 June 2024

	Notes	2024 \$	2023 \$
Net Profit for the Period Attributable to:			
Non-controlling interest		-	-
Owners of Pure Foods Tasmania Limited		(3,944,338)	(1,827,333)
		<u>(3,944,338)</u>	<u>(1,827,333)</u>
Total Comprehensive Income for the Year is Attributable to:			
Non-controlling interest		-	-
Owners of Pure Foods Tasmania Limited		(3,944,338)	(1,827,333)
		<u>(3,944,338)</u>	<u>(1,827,333)</u>
Earnings per Share			
From Continuing and Discontinued Operations:			
Basic loss per share (cents per share)	4	(0.033)	(0.018)
Diluted loss per share (cents per share)	4	(0.033)	(0.018)
From Continuing Operations:			
Basic loss per share (cents per share)	4	(0.033)	(0.018)
Diluted loss per share (cents per share)	4	(0.033)	(0.018)

The above statement should be read in conjunction with the accompanying notes.

Pure Foods Tasmania Limited – Reissued Financial Statements
 ABN 13 112 682 158
 Consolidated Statement of Financial Position
 As at 30 June 2024

	Notes	2024 \$	2023 \$
Current Assets			
Cash and cash equivalents	18	1,078,661	3,468,766
Trade and other receivables	9	867,967	1,854,127
Inventories	10	1,132,025	1,535,255
Other assets		72,932	154,922
Total Current Assets		3,151,585	7,013,070
Non-Current Assets			
Property, plant and equipment	11	6,358,925	6,697,785
Right of use assets	12	357,227	486,251
Intangible assets	13	1,603,276	2,515,207
Deferred tax assets	8	4,215,010	3,019,811
Total Non-Current Assets		12,534,438	12,719,054
Total Assets		15,686,023	19,732,124
Current liabilities			
Trade and other payables	14	1,222,396	1,715,853
Lease liabilities	12	366,196	270,234
Provisions	15	172,015	219,817
Borrowings	16	2,937,644	2,913,779
Total Current Liabilities		4,698,251	5,119,683
Non-Current Liabilities			
Lease liabilities	12	7,920	229,199
Provisions	15	5,597	-
Borrowings	16	1,449,151	1,019,779
Deferred tax liabilities	8	992,603	1,220,004
Total Non-Current Liabilities		2,455,271	2,468,982
Total Liabilities		7,153,522	7,588,665
Net Assets		8,532,501	12,143,459
Equity			
Contributed equity	17	19,191,163	18,857,783
Accumulated losses		(10,658,662)	(6,714,324)
Total Equity		8,532,501	12,143,459

The above statement should be read in conjunction with the accompanying notes.

Pure Foods Tasmania Limited – Reissued Financial Statements
 ABN 13 112 682 158
 Consolidated Statement of Changes in Equity
 For the Year Ended 30 June 2024

	Note	Contributed Equity \$	Accumulated Losses \$	Total \$
Balance at 1 July 2022		16,643,159	(4,886,991)	11,756,168
Loss for the year		-	(1,827,333)	(1,827,333)
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	(1,827,333)	(1,827,333)
Issue of shares		5,926,721	-	5,926,721
Convertible notes redemption		(3,450,000)	-	(3,450,000)
Share issue costs		(262,097)	-	(262,097)
Balance at 30 June 2023		18,857,783	(6,714,324)	12,143,459
Balance at 1 July 2023		18,857,783	(6,714,324)	12,143,459
Loss for the year		-	(3,944,338)	(3,944,338)
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	(3,944,338)	(3,944,338)
Issue of shares		471,904	-	471,904
Convertible notes redemption		(140,000)	-	(140,000)
Share issue costs		1,476	-	1,476
Balance at 30 June 2024		19,191,163	(10,658,662)	8,532,501

The above statement should be read in conjunction with the accompanying notes.

Pure Foods Tasmania Limited – Reissued Financial Statements
 ABN 13 112 682 158
 Consolidated Statement of Cash Flows
 For the Year Ended 30 June 2024

	Notes	2024 \$	2023 \$
Cash Flow from Operating Activities			
Receipts from customers		8,954,129	9,054,464
Payments to suppliers and employees		(11,149,938)	(11,356,122)
Interest received		119,593	64,968
Income taxes paid		-	(42,742)
Net Cash Flows Used in Operating Activities	18	(2,076,216)	(2,279,432)
Cash Flow from Investing Activities			
Payments for property, plant and equipment		(760,695)	(1,400,735)
Net Cash Flows Used in Investing Activities		(760,695)	(1,400,735)
Cash Flow from Financing Activities			
Proceeds from issue of shares		290,638	2,214,624
Net increase in borrowings		453,237	2,687,426
Principle elements for lease payments		(297,069)	(239,373)
Net Cash Flows from Financing Activities		446,805	4,662,677
Net (decrease)/increase in cash held		(2,390,105)	982,510
Cash and cash equivalents at the beginning of the year		3,468,766	2,486,256
Cash and Cash Equivalents at the End of the Year	18	1,078,661	3,468,766

The above statement should be read in conjunction with the accompanying notes.

1. Summary of Material Accounting Policies Information

(a) General Information

The consolidated financial statements and notes represent those of Pure Foods Tasmania Limited and its Controlled Entities. Pure Foods Tasmania is a company incorporated in Australia, and whose shares are publicly traded on the Australian Securities Exchange (ASX).

(b) Going Concern

The financial statements of the Group have been prepared on the assumption that the Group will continue as a going concern. For the financial year ended 30 June 2024, the Group reported a net loss after tax of \$3.9m (2023: \$1.9m) and experienced net cash outflows from operating activities amounting to \$2.2m (2023: \$2.3m). As of 30 June 2024, the Group held cash and cash equivalents totalling \$1.1m (2023: \$3.5m) and had external borrowings of \$4.4m (2023: \$3.9m).

In response to these financial challenges, the Group's Directors have implemented several strategic initiatives to enhance the Group's financial stability and operational performance. These initiatives began at the end of calendar 2023 with the sale of Lauds Plant Based Foods.

The ability of the Group to continue as a going concern is dependent on the unwavering commitment to these initiatives. These include a disciplined approach to managing input cost increases, implementing a range of cost reductions while also introducing other profitability enhancement measures and/or obtaining additional funding from alternative sources should it be required.

Key initiatives are summarised as follows:

- The Group has undertaken a restructuring of its senior management and leadership team, aimed at improving operational efficiency, cost reduction and management focus.
- A thorough end-to-end review of the Group's operations is being conducted to identify and implement cost-saving measures across the production, delivery and customer supply chain process. This review has already led to the identification of operational efficiencies, cost savings and process improvements and which started late in 2023.
- On-going assessment of customer and product profitability with low or negative margin products exited.
- Focus on increasing gross margins through negotiated, targeted price increases where possible with customers and continued identification of cost savings in raw material inputs, distribution channels and logistics.
- Investigation into the ability of infrastructure to deliver increased volumes to provide greater scale in the covering of fixed input costs.
- Continue to pursue strategic opportunities by way of acquisition to provide greater level of economies of scale.

Given the risk associated with the timing and quantum of profitability improvement initiatives, there is a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

1. Summary of Material Accounting Policies Information (Continued)

(b) Going Concern (Continued)

The Directors believe that these strategic actions will not only stabilise the Group's financial position but also position it for future revenue growth and improved profitability. Consequently, the Directors are confident that the Group will be able to continue as a going concern for the foreseeable future. Accordingly, the directors have prepared the consolidated annual report on a going concern basis.

Refer to note 25 – Events occurring subsequent to year end for further information regarding Facts which have become known to the Auditor after the Financial Report had been issued.

(c) Basis of Preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Act 2001*, as appropriate for-profit oriented entities. The financial statements cover the Group and its controlled entities as a group for the financial year ended 30 June 2024. The Company is a company limited by shares, incorporated, and domiciled in Australia.

Separate financial statements for the Company as an individual entity are no longer presented as a consequence of a change to the *Corporations Act 2001*, however limited financial information for the Company as an individual entity is included in Note 21.

The following is a summary of material accounting policies adopted by the Group in the preparation and presentation of the financial statements not elsewhere disclosed. The accounting policies have been consistently applied, unless otherwise stated.

(d) Compliance with IFRS

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(e) Historical Cost Convention

The financial statements have been prepared under the historical cost convention. All amounts are presented in Australian dollars unless otherwise noted.

(f) Principles of Consolidation

The consolidated financial statements are those of the Group, comprising the parent entity and its controlled entities as defined in Accounting Standard AASB 10 *Consolidated Financial Statements*. Control is achieved when the Group:

- 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 Group reassess 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 listed above.

Details of the controlled entities are contained in Note 22.

1. Summary of Material Accounting Policies Information (Continued)

(f) Principles of Consolidation (Continued)

Financial statements for controlled entities are prepared for the same reporting period as the parent entity. Controlled entities are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

Non-controlling interests in the equity and results of the entities that are controlled are shown separately in the consolidated financial statements.

The preparation of the financial statements of the Group requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Areas within the financial report which contain a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be incorrect. Detailed information about each of these estimates and judgements are included in the notes to the financial statements together with the basis of calculation.

The area involving significant estimates or judgements is the estimated value in use calculations for the assessment of the recoverable amount of goodwill.

Estimates and judgements are continually evaluated. They are based on historical experience, information, and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(g) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(h) New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not yet been adopted by the Group. There are no standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2. Segment Information

The operating segments are based upon the units identified in the operating reports reviewed by the Board and executive management, and are used to make strategic decisions, in conjunction with the quantitative thresholds established by AASB 8 *Operating Segments*.

There are two identifiable and reportable segments:

- Food – which incorporates all brands of the Group; and
- Corporate and Other - which comprises corporate costs that are not directly attributable to the operational business units.

Management measures the performance of the segments identified at the 'net profit before tax' level.

	Food \$	Corporate and Other \$	Total \$
30 June 2024			
Total sales	7,442,902	-	7,442,902
Other income	43,934	7,882	51,816
Loss	(5,205,793)	(34,479)	(5,240,272)
Loss before income tax			(5,240,272)
Income tax benefit			1,358,877
Loss after income tax from continuing operations			(3,881,395)
Loss from discontinued operations after tax			(62,943)
Loss after income tax			(3,944,338)
Assets			
Assets	12,105,858	3,580,165	15,686,023
Total Assets	12,105,858	3,580,165	15,686,023
Liabilities			
Liabilities	5,946,304	1,207,218	7,153,522
Total Liabilities	5,946,304	1,207,218	7,153,522

2. Segment Information (Continued)

	Food \$	Corporate and Other \$	Total \$
30 June 2023			
Total sales	8,748,338	-	8,748,338
Other income	408,833	570,357	979,190
Loss	<u>(1,673,204)</u>	<u>(564,246)</u>	<u>(2,237,450)</u>
Loss before income tax			<u>(2,237,450)</u>
Income tax benefit			<u>410,117</u>
Loss after income tax from continuing operations			<u>(1,827,333)</u>
Loss from discontinued operations after tax			<u>-</u>
Loss after income tax			<u>(1,827,333)</u>
Assets			
Assets	15,797,411	3,934,713	19,732,124
Total Assets	<u>15,797,411</u>	<u>3,934,713</u>	<u>19,732,124</u>
Liabilities			
Liabilities	6,282,060	1,306,605	7,588,665
Total Liabilities	<u>6,282,060</u>	<u>1,306,605</u>	<u>7,588,665</u>

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3. Discontinued Operations

During the 2024 financial year, the Group announced its decision to dispose of the Lauds Plant-based Foods business, thereby discontinuing its operations in this business segment.

This announcement was made subsequent to approval by the Group's management and shareholders.

The division was sold on 21 November 2023.

Financial information relating to the discontinued operation to the date of sale is set out below.

The financial performance of the discontinued operations to the date of sale is included in the loss from discontinued operations per the Consolidated Statement of Comprehensive Income, is as follows:

	Notes	2024 \$	2023 \$
Revenue		157,498	-
Expenses		241,422	-
Loss before income tax		(83,924)	-
Income tax benefit		20,981	-
Loss attributable to owners of Pure Foods Tasmania Limited		(62,943)	-

The Group has not presented comparative information for the discontinued operations due to the unavailability of historical information.

4. Earnings per Share

	Notes	2024 \$	2023 \$
From Continuing and Discontinued Operations:			
Basic earnings per share		(0.033)	(0.018)
Diluted earnings per share		(0.033)	(0.018)
From Continuing Operations:			
Basic earnings per share		(0.033)	(0.018)
Diluted earnings per share		(0.033)	(0.018)
Basic			
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share.		111,355,650	101,462,214
Diluted			
Weighted average number of ordinary shares and convertible redeemable preference shares outstanding and performance rights during the period used in the calculation of basic earnings per share.		111,355,650	102,672,281

5. Dividends to Shareholders

No dividends have been paid or declared during the year ended 30 June 2024 (30 June 2023: nil).

6. Revenue

	Notes	2024 \$	2023 \$
Revenue from Continuing Operations			
Sales		7,442,902	8,748,338
Total Revenue from Continuing Operations		7,442,902	8,748,338
Other Income			
Interest received		119,593	133,037
Sundry income		(67,777)	846,153
Total Other Income		51,816	979,190
Total Revenue		7,494,718	9,727,528

Recognition and Measurement

The sale of goods is measured at the fair value of the consideration received net of any trade discounts and volume rebates allowed. The sale of goods represents a single performance obligation and accordingly, revenue is recognised in respect of these sales of goods at the point in time when control over the corresponding goods is transferred to the customer (i.e., at a point in time for sale of goods when the goods are delivered to the customer or transferred to the freight forwarder).

Delivery occurs when the products have been shipped to the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products, the acceptance provisions have lapsed, or the Group has objective evidence that all the criteria for acceptance have been satisfied. All revenue is stated net of the amount of goods and services tax (GST) where applicable.

Interest Revenue

Interest revenue is recognised on a proportional basis using the effective interest rate method.

7. Expenses

	Notes	2024 \$	2023 \$
Profit before income tax expense includes the following expenses:			
Cost of goods sold		7,346,394	7,701,421
Salaries and wages		1,548,065	1,544,554
Total Expenses		8,894,459	9,245,975

8. Income Tax Expense

	Notes	2024 \$	2023 \$
Income tax recognised in profit or loss:			
Tax benefit comprises:			
Current tax benefit		-	-
Tax benefit from discontinued operations		(20,981)	-
Deferred tax movements		(1,358,877)	(410,117)
		(1,379,857)	(410,117)
Deferred income tax benefit included in income tax expense comprises:			
(Increase)/decrease in deferred tax assets		(1,152,456)	(440,918)
Increase/(decrease) in deferred tax liabilities		(227,401)	30,801
		(1,379,857)	(410,117)

8. Income Tax Expense (Continued)

	Notes	2024 \$	2023 \$
Reconciliation of income tax expenses to prima facie tax on accounting profit:			
Loss before income tax expense		(5,240,272)	(2,237,450)
Tax at 25.0% tax rate (2023: 25.0%)		(1,310,069)	(559,363)
Tax effect of amounts which are not deductible		157	81,162
Under/overs in respect of prior year		(6,222)	68,084
Listing costs recognised in equity		(42,743)	-
		<u>(1,358,877)</u>	<u>(410,117)</u>

Reconciliation of deferred tax assets

	Opening Balance \$	Charged to Income \$	Charged to Equity \$	Closing Balance \$
Deferred Tax				
Gross Deferred Tax Assets				
Provisions	54,955	(10,551)	-	44,404
Trade and other payables	57,328	(47,764)	-	9,564
Right-of-use assets	3,296	927	-	4,223
Share issue expenses	16,131	10,259	-	26,390
Tax losses	2,888,101	1,130,036	42,743	4,060,880
Capital losses	-	69,549	-	69,549
	<u>3,019,811</u>	<u>1,152,456</u>	<u>42,743</u>	<u>4,215,010</u>

8. Income Tax Expense (Continued)

Reconciliation of deferred tax liabilities

	Opening Balance \$	Charged to Income \$	Charged to Equity \$	Closing Balance \$
Deferred Tax				
Gross Deferred Tax Liabilities				
Sundry debtors	-	6,250	-	6,250
Prepayments	20,239	(9,639)	-	10,600
Fixed assets	1,079,956	(121,098)	-	958,858
Trading stock	22,241	(15,360)	-	6,881
Goodwill and trademarks	86,834	(80,998)	-	5,836
Business acquisition costs	10,655	(6,556)	-	4,099
Product development	79	-	-	79
	1,220,004	(227,401)	-	992,603

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- (a) the initial recognition of goodwill; or
- (b) the initial recognition of an asset or liability in a transaction which:
 - i. is not a business combination; and
 - ii. at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

8. Income Tax Expense (Continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled, and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists, and it is intended that net settlement or simultaneous realisation, and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- (a) a legally enforceable right of set-off exists; and
- (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation, and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

8. Income Tax Expense (Continued)

Tax Consolidation

The Company and its wholly owned Australian resident entities have formed a tax-consolidated Group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated Group is PFT Limited. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised in the separate financial statements of the members of the tax-consolidated Group using the “separate taxpayer within group” approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated Group are recognised by the Company (as head entity in the tax-consolidated Group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated Group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the Parent Entity and the other members of the tax-consolidated Group in accordance with the arrangement.

9. Trade and Other Receivables

	Notes	2024 \$	2023 \$
Trade receivables		756,545	1,338,074
Less loss allowance		-	-
Other receivables		111,422	516,053
Total Trade and Other Receivables		867,967	1,854,127

Loss Allowance

Movements in loss allowance are as follows:

Carrying value at beginning of the year	-	-
Increase/(decrease) in loss allowance	-	16,983
Receivables written off as unrecoverable	-	(16,983)
Unused amounts reversed	-	-
Total Loss Allowance	-	-

9. Trade and Other Receivables (Continued)

Notes	2024 \$	2023 \$
Trade receivables past due but not impaired		
Under one month	409,109	1,091,894
One to three months	571	246,180
Over three months	346,865	-
Total trade receivables past due but not impaired	746,545	1,338,074

Recognition and Measurement

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The “receivables written off as unrecoverable” are all due to customers declaring bankruptcy, or term receivables that have now become unrecoverable.

	Current	30 Days	60 Days	90+ Days	Total
30 June 2024					
Expected loss rate (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Trade receivables gross carrying amount (\$)	409,109	571	-	346,865	756,545
Loss allowance (\$)	-	-	-	-	-

	Current	30 Days	60 Days	90+ Days	Total
30 June 2023					
Expected loss rate (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Trade receivables gross carrying amount (\$)	1,091,894	171,639	74,541	-	1,338,074
Loss allowance (\$)	-	-	-	-	-

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9. Trade and Other Receivables (Continued)

Fair Value of Trade and Other Receivables

Due to the short-term nature of the current receivables, their carrying amount is approximate to fair value.

Credit Risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within the loss allowance. The class of assets described as “trade and other receivables” is considered to be the main source of credit risk related to the Group. On a geographical basis, the Group has significant credit risk exposures in Australia.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

10. Inventories

	Notes	2024 \$	2023 \$
Stock on hand		1,132,025	1,535,255
Total Inventories		1,132,025	1,535,255

Recognition and Measurement

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour, and an appropriate proportion of variable and fixed overheads.

11. Property, Plant and Equipment

	Notes	2024 \$	2023 \$
Buildings			
Building at cost		1,855,905	1,827,237
Less: accumulated depreciation		(206,601)	(160,985)
Total Buildings		1,649,304	1,666,252
Plant and Equipment			
Plant and equipment at cost		6,683,137	6,592,749
Less: accumulated depreciation		(1,973,516)	(1,561,216)
Total Plant and Equipment		4,709,621	5,031,533
Total Property, Plant and Equipment		6,358,925	6,697,785

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year set out below:

Carrying Value	Building at Cost \$	Plant and Equipment \$	Total \$
As at 1 July 2022	1,694,258	4,132,038	5,826,296
Additions	17,789	1,382,946	1,400,735
Disposals	-	-	-
Depreciation expense	(45,795)	(483,451)	(529,246)
Balance at 30 June 2023	1,666,252	5,031,533	6,697,785
As at 1 July 2023	1,666,252	5,031,533	6,697,785
Additions	28,668	624,016	652,684
Disposals	-	(372,292)	(372,292)
Depreciation expense	(45,616)	(573,636)	(619,252)
Balance at 30 June 2024	1,649,304	4,709,621	6,358,925

11. Property, Plant and Equipment (Continued)

Recognition and Measurement

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Buildings	2.0%
Plant and Equipment	5.0% - 33.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

12. Right-of-use Assets and Lease Liabilities

	Notes	2024 \$	2023 \$
Right-of-use Assets			
Buildings		1,320,140	1,148,388
Less: accumulated amortisation		(962,913)	(662,137)
Total Right-of-use Assets		357,227	486,251

Set out below are the carrying amounts of the Group's right-of-use assets and the movements during the period:

Carrying Value	Buildings \$	Total \$
As at 1 July 2023	486,251	486,251
Additions	-	-
Lease modifications	171,752	171,752
Amortisation expense	(300,776)	(300,776)
Balance as at 30 June 2024	357,227	357,227
Lease Liabilities		
Current	366,196	366,196
Non-current	7,920	7,920
Total Lease Liabilities	374,116	374,116

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

12. Right-of-use Assets and Lease Liabilities (Continued)

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

13. Intangible Assets

	Notes	2024 \$	2023 \$
Intangibles		1,603,276	2,515,207
Total Intangible Assets		1,603,276	2,515,207
		Intangibles \$	Total \$
As at 1 July 2023		2,515,207	2,515,207
Additions		44,159	44,159
Disposals		(956,090)	(956,090)
Balance as at 30 June 2024		1,603,276	1,603,276

13. Intangible Assets (Continued)

Goodwill relates to the acquisition of Tasmanian Pate, Daly Potato Co, The Cashew Creamery and Lauds Plant-Based Foods.

Recognition and Measurement

Goodwill

Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- the consideration transferred at fair value;
- any non-controlling interest (determined under either the fair value or proportionate interest method); and
- the acquisition date fair value of any previously held equity interest over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in 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.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting 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 139: *Financial Instruments: Recognition and Measurement*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

13. Intangible Assets (Continued)

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units (CGU) or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Impairment losses for goodwill are not subsequently reversed.

During the financial year, the Board and management reviewed the internal reporting and the CGU's of the Group. Given the expansion in brands and products, the management of CGU's by individual brand was not aligned with the reporting of the Group. As such, a single CGU has created title 'Pure Foods Tasmania Products' which encompasses all brands of the business as they are intrinsically linked under the PFT brand. This aligns with the reporting to the Board at Group level.

Recoverable Amount of Goodwill

Impairment testing has been undertaken at 30 June 2024 for the CGU for goodwill or where there is an indication of impairment. The Group has 1 CGU for which impairment testing has been completed for goodwill – Pure Foods Tasmania Products.

The recoverable amount for the CGU has been determined based on a value-in-use calculation which uses cash flow projections based on financial budgets and forecasts approved by management. Key assumptions used in the value-is-use calculations for the CGU is:

	Sales Growth Rate (5 year average) %	Production Costs Growth Rate (5 year average) %	Indirect Costs Growth Rate (5 year average) %	Pre-Tax Discount Rate %
Pure Foods Tasmania Products	12%	8%	6%	15%

Management has based the value-in-use calculations on budgets. These budgets use historical weighted average growth rates to project revenue. Costs are calculated considering historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the CGU operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

13. Intangible Assets (Continued)

Changes to key inputs within the value in use calculations:

- Sales growth rate – Increased as at 30 June 2024 to reflect market growth rates, the strategic initiatives adopted by the Board and product price increases.
- Production costs – Forecast to increase over the forecast period which is reflective gross margin improvement through a focus on value chain profitability and management of input costs.
- Pre-tax discount rate – The discount rate represents the current market assessment of the risks relating to the relevant CGU. In performing the value in use calculations for the CGU, the Group has applied a pre-tax discount rate of 15%.

Review Outcome

In completing the impairment review based on the aforementioned, the – Pure Foods Tasmania Products CGU recorded an impairment of \$0.912m, which has been recorded in the Income Statement. Based on the above the impairment charge reduced the carrying value of the intangible assets to \$1.6m. Impairment testing will continue to be performed annually in respect of the remaining intangible assets.

Other Intangible Assets

Intangible assets acquired separately are capitalised at cost. Following initial recognition, the cost model is applied to the class of intangible assets. The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the statement of comprehensive income. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred. Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

An entity shall assess whether the useful life of an intangible asset is finite or indefinite and, if finite, the length of, or number of production or similar units constituting, that useful life. An intangible asset shall be regarded by the entity as having an indefinite useful life when, based on the analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

14. Trade and Other Payables

	Notes	2024 \$	2023 \$
Trade and other payables		1,222,396	1,715,853
Total Trade and Other Payables		1,222,396	1,715,853

Recognition and Measurement

Trade and other payables represent liabilities for goods and services received by the Group which remain unpaid at the end of the reporting period. The balance is recognised as a current liability with amounts paid in accordance with supplier trading terms. Due to the short-term nature of trade and other payables, the carrying value is reflective of fair value.

15. Provisions

	Notes	2024 \$	2023 \$
Current			
Employee benefits		172,015	219,817
Total Current Provisions		172,015	219,817
Non-current			
Employee benefits		5,597	-
Total Non-Current Provisions		5,597	-
Total Provisions		177,612	219,817

15. Provisions (Continued)

Recognition and Measurement

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

16. Borrowings

	Notes	2024 \$	2023 \$
Current			
Bank loan facility and equipment finance		2,937,644	2,913,779
Total Current Borrowings		2,937,644	2,913,779
Non-Current			
Bank loan facility and equipment finance		1,449,151	1,019,779
Total Non-Current Borrowings		1,449,151	1,019,779
Total Borrowings		4,386,795	3,933,558

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet of the Group when the terms and obligations specified in the contract are discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party, and the consideration paid is recognised in the consolidated income statement as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs, including transaction fees, are recognised in the consolidated income statement in the period in which they are incurred.

Financial covenants

The Group has in place an overdraft facility with the CBA as at 30 June 2024 for \$1,500,000. There were no financial covenants in place as at 30 June 2024 for the overdraft facility.

16. Borrowings (Continued)

Secured liabilities and assets pledged as security

The Group has entered into finance facilities with the Commonwealth Bank of Australia (CBA) and National Australia Bank these include:

- \$1.5m market rate loan secured against a \$1.5m deposit facility with CBA with both maturing in November 2024;
- \$0.5m short-term secured loan with Amal Security Services and maturing in September 2024;
- \$1.4m asset finance liabilities with CBA which are secured over specific assets ranging with maturity dates from December 2024 to November 2028; and
- \$0.002m asset finance facility with NAB and maturing in September 2024.

The Group also entered into a \$1.0m capital investment loan from sophisticated investors that is unsecured and maturing in December 2026.

17. Issued Capital

	2024		2023	
	No. Shares	\$	No. Shares	\$
Fully paid ordinary shares (post-consolidation)	122,092,288	19,191,163	109,739,914	18,857,783

Movement in Ordinary Capital

Date	Details	Number of Shares (No.)	\$
1 July 2023	Balance at beginning of period	109,739,914	18,857,783
	Shares issued	12,352,374	471,904
	Notes redeemed (net of costs)	-	(140,000)
	Issue costs	-	1,476
	Balance at end of period	122,092,288	19,191,163

In May 2024, the Group raised a total of \$0.5m (including costs) from existing shareholders. This was facilitated by a rights issue.

17. Issued Capital (Continued)

Terms and Conditions of Issued Capital

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held.

Share Options and Performance Rights

Share options and performance rights do not entitle the holder to participate in dividends and the proceeds on winding up the Group. The holder is not entitled to vote at General Meetings.

	Notes	2024 (No.)	2023 (No.)
Movement in Options			
Balance at beginning of the year		-	2,800,000
Options granted to facilitate raising of debt		10,166,670	
Options redeemed/lapsed		-	(2,800,000)
Balance at End of the Year		10,166,670	-

Recognition and Measurement

Ordinary shares are classified as equity, with ordinary share capital being recognised at fair value of consideration received by the Group. Transaction costs arising on the issue of ordinary shares are recognised equity as a reduction of the share proceeds received.

18. Cash Flow Reconciliation

	Notes	2024 \$	2023 \$
Cash and Cash Equivalents			
Cash and cash equivalents		1,078,661	3,468,766
Total Cash and Cash Equivalents		1,078,661	3,468,766

Recognition and Measurement

Cash and cash equivalents include cash on hand and at banks and short-term deposits with an original maturity of three months or less held at call with financial institutions.

18. Cash Flow Reconciliation (Continued)

Reconciliation of Cash and Cash Equivalents to the Statement of Cash Flows

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and short-term deposits at call, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Notes	2024 \$	2023 \$
Loss after income tax		(3,944,338)	(1,827,333)
Adjustments for Non-Cash Items:			
Depreciation and amortisation		920,028	752,918
Bad debts		798	16,983
Intangible asset write-offs		956,090	28,971
Share-based payments		42,742	-
Loss on disposal of assets		436,144	-
Changes in Assets/Liabilities:			
(Increase)/decrease in trade and other receivables		1,067,352	(535,439)
(Increase)/decrease in inventories		403,230	(209,948)
(Increase)/decrease in deferred taxes		(1,422,600)	(452,859)
Increase/(decrease) in trade and other payables		(493,457)	(21,717)
Increase/(decrease) in provisions		(42,205)	(31,008)
Net Cash Used in Operating Activities		(2,076,216)	(2,279,432)

19. Financial Risk Management

The Group's principal financial instruments comprise receivables, payables, cash, and short-term deposits.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are price risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised in the following. Primary responsibility for identification and control of financial risks rests with the Managing Director under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including, interest rate risk, credit allowances, and future cash flow forecast projections.

The carrying amounts of the Group's financial assets and liabilities at balance date were equal to their fair value.

Recognition and Measurement

Classification

The Group classifies its financial instruments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial instruments at the time of initial recognition.

Financial Assets at Fair Value through Profit or Loss

Upon initial recognition a financial asset or financial liability is designated as at fair value through profit or loss when:

- (a) An entire contract containing one or more embedded derivatives is designated as a financial asset or financial liability at fair value through profit and loss.
- (b) Doing so results in more relevant information, because either:
 - i. It eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising gains or losses on them on different bases.
 - ii. A group of financial assets, financial liabilities or both is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to key management personnel.

19. Financial Risk Management (Continued)

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured are not designated as at fair value through profit or loss.

Present investment strategy is to keep assets in a highly liquid state and almost all of the investment assets are held in cash.

A gain or loss arising from a change in the fair value of a financial asset or financial liability classified as at fair value through profit or loss is recognised in the consolidated statement of profit or loss and other comprehensive income.

Non-listed investments, for which fair value cannot be reliably measured, are carried at cost, and tested for impairment.

Loans and Receivables

Loan and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial Liabilities

Financial liabilities include trade payables, other creditors, and loans from third parties including inter-company balances and loans from / or other amounts due to Director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt, less principal payments, and amortisation.

Risk Exposures and Responses

Interest Rate Risk

The Group's exposure to market interest rates is related primarily to the Group's cash deposits. At balance sheet date, the Group had the following mix of financial assets exposed to Australian and variable interest rate risks that are not designated as cash flow hedges:

	Notes	2024 \$	2023 \$
Financial assets		867,967	1,854,127
Cash and cash equivalents		1,078,661	3,468,766
Net Exposure		1,946,628	5,322,893

The Group regularly analyses its interest rate opportunity and exposure. Within this analysis consideration is given to existing positions and alternative arrangements for its deposits.

19. Financial Risk Management (Continued)

The following sensitivity analysis is based on the interest rate opportunity/risk relating to cash deposits at balance date.

At 30 June 2024, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit/(loss) and equity would have been affected as follows:

Notes	2024 \$	2023 \$
Judgements of reasonably possible movements:		
+ 0.5% (50 basis points)	9,733	26,614
- 0.5% (50 basis points)	(9,733)	(26,614)

Liquidity Risk

Liquidity Risk is the risk that the Group, although balance sheet solvent, cannot meet or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

All current liabilities fall due within normal trade terms, which are generally 30 days.

Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note. The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. The risks are regularly monitored.

The Group applies the AASB 9 simplified approach to measuring expected credit losses as disclosed in Note 9.

Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

19. Financial Risk Management (Continued)

Fair Value

The method for estimating fair value is outlined in the relevant notes to the financial statements. All financial assets held at fair value are valued based on the principles outlined in AASB 7 in relation to Level 1 of the hierarchy of fair values, being quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

20. Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

Management is constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, the Board may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

	Notes	2024 \$	2023 \$
Debt			
Borrowings		4,386,795	3,933,558
Trade and other payables		1,222,396	1,715,853
Total Debt		5,609,191	5,649,411
Less cash and cash equivalents		1,078,661	3,468,766
Net (Cash)/Debt		4,530,530	2,180,645
Total Equity		8,532,501	12,143,459
Total Capital		19,191,163	18,857,783
Gearing ratio (total debt / total equity)		65.7%	46.5%

21. Parent Entity Information

	Notes	2024 \$	2023 \$
Financial Position			
Assets			
Current assets		-	1,029,221
Non-current assets		18,790,064	17,226,626
Total Assets		18,790,064	18,255,847
Liabilities			
Current liabilities		1,097	3,693
Non-current liabilities		1,074,532	1,220,004
Total Liabilities		1,075,629	1,223,697
Net Assets		17,714,435	17,032,150
Contributed equity		17,714,435	17,032,150
Financial Performance			
Total revenue		7,882	570,357
Profit/(Loss) for the Period		(518,386)	165,573

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22. Subsidiaries

Entity	Country of Incorporation	Equity holding	
		2024 %	2023 %
PFT Holdings Pty Ltd	Australia	100	100
PFT No 1 Pty Ltd	Australia	100	100
PFT No 2 Pty Ltd	Australia	100	100
PFT No 3 Pty Ltd	Australia	100	100
The Cashew Creamery Pty Ltd	Australia	100	100
New Pastures Plant-Based Foods Pty Ltd	Australia	100	100

23. Contingent Liabilities and Assets

There are no matters which the Group consider would result in a contingent liability or asset as at the date of this report.

24. Commitments for Expenditure

	Notes	2024 \$	2023 \$
Capital Commitments – Capital Expenditure Projects			
Payable:			
Not longer than one year		-	-
Longer than one year but no longer than five years		-	-
Longer than five years		-	-
Total Capital Commitments – Capital Expenditure Projects		-	-
Other Commitments – Operating Expenditure			
Operating expenditure contracted but not included in the financial statements:			
Payable:			
Not longer than one year		-	-
Longer than one year but no longer than five years		-	-
Longer than five years		-	-
Total Other Commitments – Operating Expenditure		-	-

25. Events Occurring After Balance Date

The Board, other than what is stated in the below section “Facts which have become known to the Auditor after the Financial Report has been issued”, is not aware of any matter or circumstance not otherwise dealt within these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

25. Events Occurring After Balance Date (Continued)

Facts which have become known to the Auditor after the Financial Report has been Issued

Since the signing and issue of the financial statements and audit opinion on 30 September 2024, further facts have become known in regard to the re-financing of the Group. As at 30 September 2024, the Group had the following facilities with the Commonwealth Bank of Australia (CBA) and National Australia Bank (NAB):

- \$1.5m market rate loan secured against a \$1.5m deposit facility with CBA with both maturing in November 2024;
- \$0.5m short-term secured loan with Amal Security Services and maturing in September 2024;
- \$1.4m asset finance liabilities with CBA which are secured over specific assets ranging with maturity dates from December 2024 to November 2028; and
- \$0.002m asset finance facility with NAB and maturing in September 2024.

As of 15 November 2024, the CBA has approved the:

- Extension of the \$1.5m cash backed Market Rate loan until 30 June 2026;
- Extending the temporary facility to \$1.6m and convert to a Better Business Loan expiring 30 June 2026; and
- Restructure of the existing equipment finance balloons of \$0.645m due in FY25. These facilities will be renegotiated over a further term on current repayments to repay them to nil. This will push the terms for each of these equipment finance contracts to 30 June 2026 or beyond.

The above approval in re-financing from CBA as at 15 November 2024 results in \$1.845m converting to a non-current liability and not due for maturity within the next 12 months. The remaining \$0.4m refinanced is to be repaid to the CBA in February 2025.

The \$0.5m short-term secured loan with Amal Security Services and was scheduled to mature in September 2024 has been paid down to \$0.110m with the remaining balance to be settled in November 2024.

In addition:

- The Board has also entered into negotiations for equipment sales for equipment totalling \$0.175m; and
- \$0.400m was raised in additional capital in October 2024.

26. Related Party Transactions

	Notes	2024 \$	2023 \$
Key Management Personnel Compensation			
The aggregate compensation of the key management personnel of the Group is set out below:			
Short-term benefits		503,332	491,759
Post-employment benefits		55,000	51,030
Total Key Management Personnel Compensation		558,332	542,789

Transactions with Related Parties

The Group acquired the following goods and services as follows:

Ken Fleming for consulting services		25,972	26,119
Total Transactions with Related Parties		25,972	26,119

27. Auditor's Remuneration

	Notes	2024 \$	2023 \$
Auditors of the parent entity		44,500	42,000
Other assurance services		-	-
Total Auditor's Remuneration		44,500	42,000

Pure Foods Tasmania Limited – Reissued Financial Statements
 ABN 13 112 682 158
 Consolidated Entity Disclosure Statement
 For the Year Ended 30 June 2024

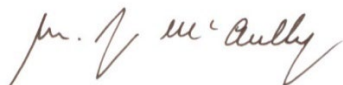
Name of entity	Type of entity	Trustee, partner or participant in joint venture	% of share capital held	Country of incorporation	Australian or foreign resident (for tax purposes)
Pure Foods Tasmania Limited	Body Corporate	N/A	N/A	Australia	Australia
Pure Foods Tasmania Holdings Pty Ltd	Body Corporate	N/A	100	Australia	Australia
Pure Foods Tasmania No1 Pty Ltd <"Tasmanian Pate">	Body Corporate	N/A	100	Australia	Australia
Pure Foods Tasmania No2 Pty Ltd <"The Woodbridge Smoke House">	Body Corporate	N/A	100	Australia	Australia
Pure Foods Tasmanian No3 Pty Ltd <"Daly Potato Company">	Body Corporate	N/A	100	Australia	Australia
New Pastures Plant Based Foods Pty Ltd	Body Corporate	N/A	100	Australia	Australia
The Cashew Creamery Pty Ltd	Body Corporate	N/A	100	Australia	Australia

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In accordance with a resolution of the Directors of Pure Foods Tasmania Limited, the Directors of the Group declare that:

- 1) The financial statements and notes, as set out on pages 17 to 58 are in accordance with the *Corporations Act 2001* and:
 - a. Comply with Australian Accounting Standards applicable to the Consolidated Group, which, as stated in the accounting policies to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b. Give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Consolidated Group;
- 2) In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- 3) The Consolidated Entity Disclosure Statement, required by section 295(3A) of the *Corporations Act 2001*, is true and correct; and
- 4) The Directors have been given the declaration required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*. This declaration is made in accordance with a resolution of the Directors.



Malcolm McAully

Director

Date: 28 November 2024

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Independent Auditor’s Report to the Members of Pure Foods Tasmania Limited

Opinion

We have audited the financial report of Pure Foods Tasmania Limited (the Company and its controlled entities (the Group)), which comprises the Consolidated Statement of Financial Position as at 30 June 2024, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, the Consolidated Entity Disclosure Statement, and the Directors’ Declaration.

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

- i. giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year then ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group have incurred a net loss of \$3.9m and a net cash outflow from operations of \$2.2m during the year ended 30 June 2024, and, as of that date, the Group’s current liabilities exceeded its current assets by \$1.5m. These conditions, along with other matters set forth in Note 1 and Note 25, indicated that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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* (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.

Emphasis of Matter – Withdrawal of Previously Issued 2024 Financial Statements

We draw attention to Note 25 of the financial statements which indicates that the previously issued financial statements for the year ended 30 June 2024, on which we issued an Independent Auditor’s Report dated 30 September 2024, have been revised and reissued. As explained in Note 25, this is to reflect the effects of the information which became available subsequent to the issue of the Independent Auditor’s Report dated 30 September 2024, and therefore not previously incorporated. Our opinion is not modified in respect of this matter.

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

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 the most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of goodwill – refer Note 12 in the Financial Report</i></p> <p>The Group holds intangible assets totalling \$1.6m as at 30 June 2024, of which \$1.28m relates to goodwill. Under Australian Accounting Standards, the Group is required to assess goodwill for impairment at least annually.</p> <p>The Group performed an impairment assessment for the Pure Foods Tasmania Products cash generating unit (CGU), calculating the value in use of the net assets in the CGU.</p> <p>The valuation model used by the Group to perform the impairment assessment is based on budget forecasts.</p> <p>The Group identified an impairment for the CGU of \$0.6m for goodwill.</p>	<p>We assessed whether the Group’s determination of CGU was consistent with our understanding of the nature of the Group’s operations and internal Group reporting. We assessed management’s conclusions around allocating Pure Foods Tasmania Products as a CGU.</p> <p>We tested the mathematical accuracy and integrity of the calculation in the model.</p> <p>To evaluate the model, we performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • Compared model inputs to the 2023 financial year budget; • Assessed historical performance of the CGU; and • Assessed forecast growth assumptions.

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Key audit matter	How our audit addressed the key audit matter
	<p>We assessed the discount rate used in the impairment assessment by comparing to comparable companies.</p> <p>We performed sensitivity analysis which highlighted that the CGU’s are sensitivity to changes in key assumptions. We recalculated the change in growth rates and discount rates which would result in an impairment and also evaluated the adequacy of the disclosures in Note 12 in light of the requirements of Australian Accounting Standards.</p>

Other Information

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 2024 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 accordingly 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 Group are responsible for the preparation of:

- i. the financial report (other than the Consolidated Entity Disclosure Statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ii. the Consolidated Entity Disclosure Statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the Directors determine is necessary to enable the preparation of:

- i. the financial report (other than the Consolidated Entity Disclosure Statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

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- ii. the Consolidated Entity Disclosure Statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group 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 has 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 15 of the Directors’ Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Pure Foods Tasmania Limited for the year ended 30 June 2024 complies with s300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with s 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.



Wise Lord & Ferguson



Nick Carter

Partner

Wise Lord & Ferguson

Date: 28 November 2024

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A. Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

Holding range	No. holders	Total units	% issued share capital
Above 0 up to and including 1,000	493	229,201	0.19
Above 1,000 up to and including 5,000	560	1,500,529	1.23
Above 5,000 up to and including 10,000	248	1,956,169	1.60
Above 10,000 up to and including 100,000	404	12,998,302	10.65
Above 100,000	158	105,408,087	86.33
Total	1,863	122,092,288	100

B. Equity Security Holders

Twenty largest quoted equity security holders.

The names of the twenty largest holders of quoted equity securities are listed below (some are grouped where the holdings are deemed to be controlled by the same entity):

Position	Holder name	Holdings	% issued share capital
1	Quality Life Pty Ltd	8,320,381	6.81
2	Ilwella Pty Ltd	6,000,000	4.91
3	Willar Pty Ltd	5,786,912	4.74
4	Mr Timothy Tulloch Brock Lewis & Mrs Catherine Anne Lewis	4,623,969	3.79
5	Krisami Investments Pty Ltd	4,500,000	3.69
6	JAF Capital Pty Ltd	4,420,000	3.62
7	MSG Pty Ltd	3,776,617	3.09
8	Rottcodd Pty Ltd	3,294,475	2.70
9	Glenlore Super Pty Ltd	3,018,237	2.47

Position	Holder name	Holdings	% issued share capital
10	HSBC Custody Nominees (Australia) Limited	3,012,799	2.47
11	BFADM Pty Ltd	2,729,492	2.24
12	Daly Potato Company Pty Ltd	2,279,608	1.87
13	Jomalco Pty Ltd	2,100,000	1.72
14	MFA Capital Pty Ltd	1,960,000	1.61
15	Suetone Pty Ltd	1,620,000	1.33
16	Pampho Pty Ltd	1,603,587	1.31
17	Mapukul Pty Ltd	1,570,000	1.29
18	Bensam Investments Pty Ltd	1,527,341	1.25
19	Mr Timothy Bird	1,405,137	1.15
20	Mr Craig McCourtie	1,334,602	1.09

C. Voting Rights

The voting rights attached to ordinary shares are set out below:

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

D. Use of Cash

Cash and assets readily convertible to cash held by the Group for the reporting period were used in a way consistent with its business strategy and objectives.

Board of Directors

Malcolm McAully	Non-Executive Chairman
Michael Cooper ⁹	Managing Director and CEO (resigned as CEO 30 August 2024)
Ken Fleming	Non-Executive Director

Company Secretary

Justin Hill

Registered Office

Level 2, 179 Murray Street
Hobart Tasmania 7000 Australia

Postal Address

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Mornington, Tasmania 7018 Australia
Tel: +61 (3) 6231 4233

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth Western Australia 6000 Australia

Auditor

Wise Lord & Ferguson
Level 1, 160 Collins Street
Hobart Tasmania 7000 Australia

⁹ Resigned 30 August 2024.

Solicitors

Page Seager
Level 2, 179 Murray Street
Hobart Tasmania 7000 Australia

Bankers

Commonwealth Bank of Australia
National Australia Bank

Stock Exchange Listing

Pure Foods Tasmania Limited shares are listed on the Australian Securities Exchange, code PFT.

Company Website

www.purefoodstas.com