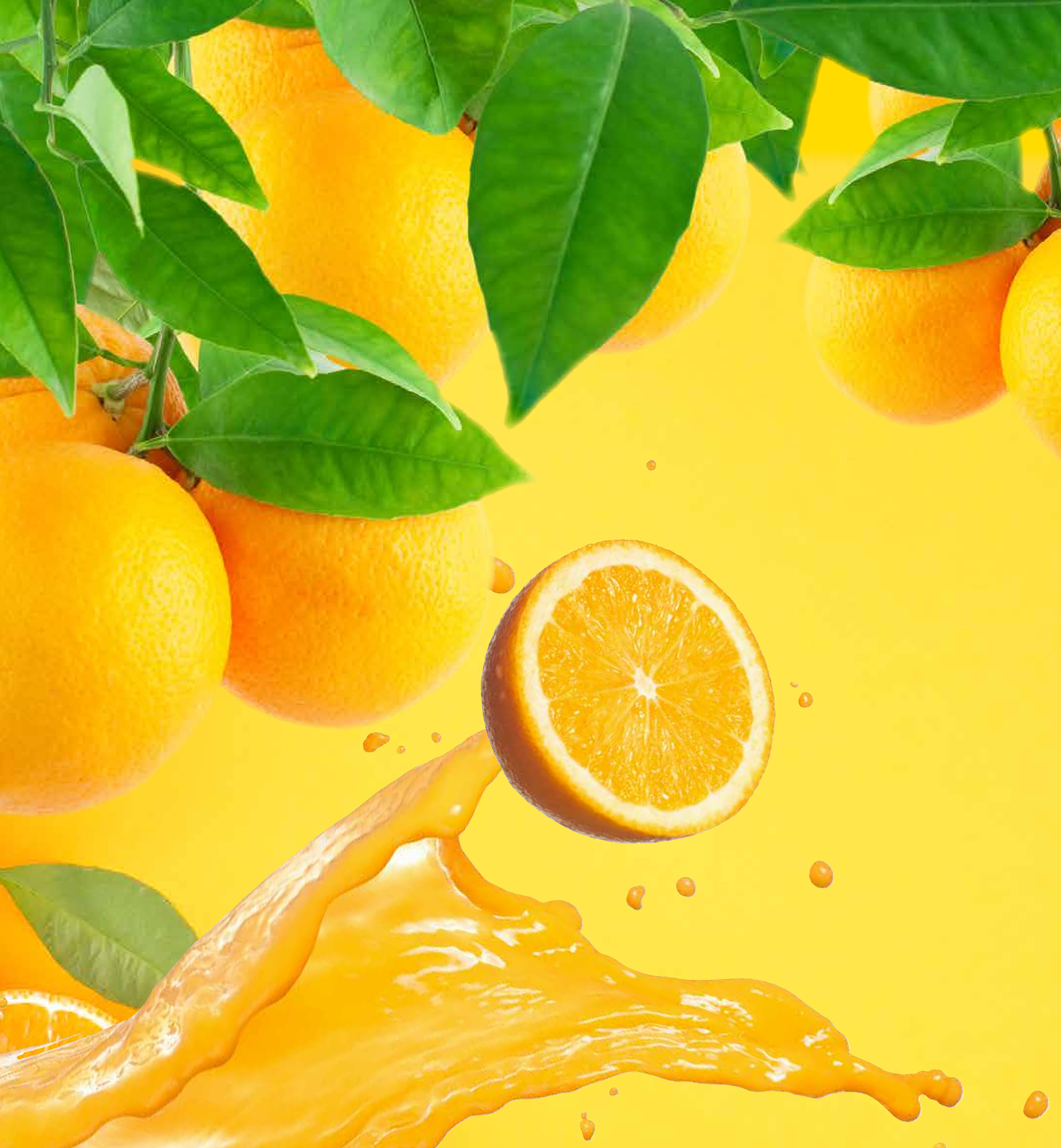
ANNUAL REPORT 2020

THE FOOD REVOLUTION GROUP



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Who we are

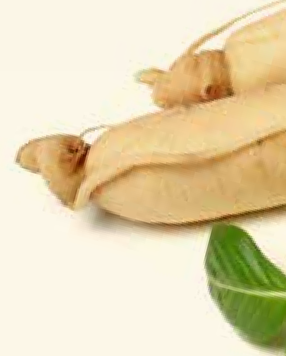
The Food Revolution Group Limited (ASX: FOD) is an Australian beverage and wellness supplement company, specialising in the development of innovative health focused products for retail in Australia and Asia.

Our purpose

To create healthy food that engage, excite and inspire health conscious consumers seeking better for you alternatives.

Our ambition

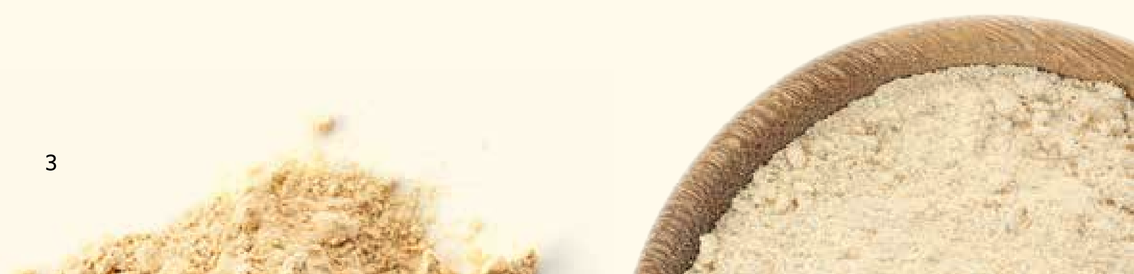
To be a leading provider of beverages, functional foods and wellness supplements that improve the quality of consumers' lives in the use of all natural ingredients.



Our values

The basis of how we work and operate daily:

- We are honest and transparent
- We respect all stakeholders...our team, our suppliers, our customers, our industry, our shareholders
- We are results focused and strive to create shareholder value



Our Strategy

HORIZON 3

Establish leadership position in wellness supplements

3

- Obtain substantial share in categories we operate in
- Extend availability into new markets
- Enter new categories building off brands platforms
- Progress juice acquisition/ consolidation

HORIZON 2

Launch wellness offering for Chinese and Australian market

2

- Launch Eridani range
- Build our branded wellness portfolio
- Roll out Juice Lab wellness offering
- Develop 3 year product pipeline – selected categories
- Structure business and capabilities to best serve Chinese and other export markets

HORIZON 1

Profitably grow base juice business

1

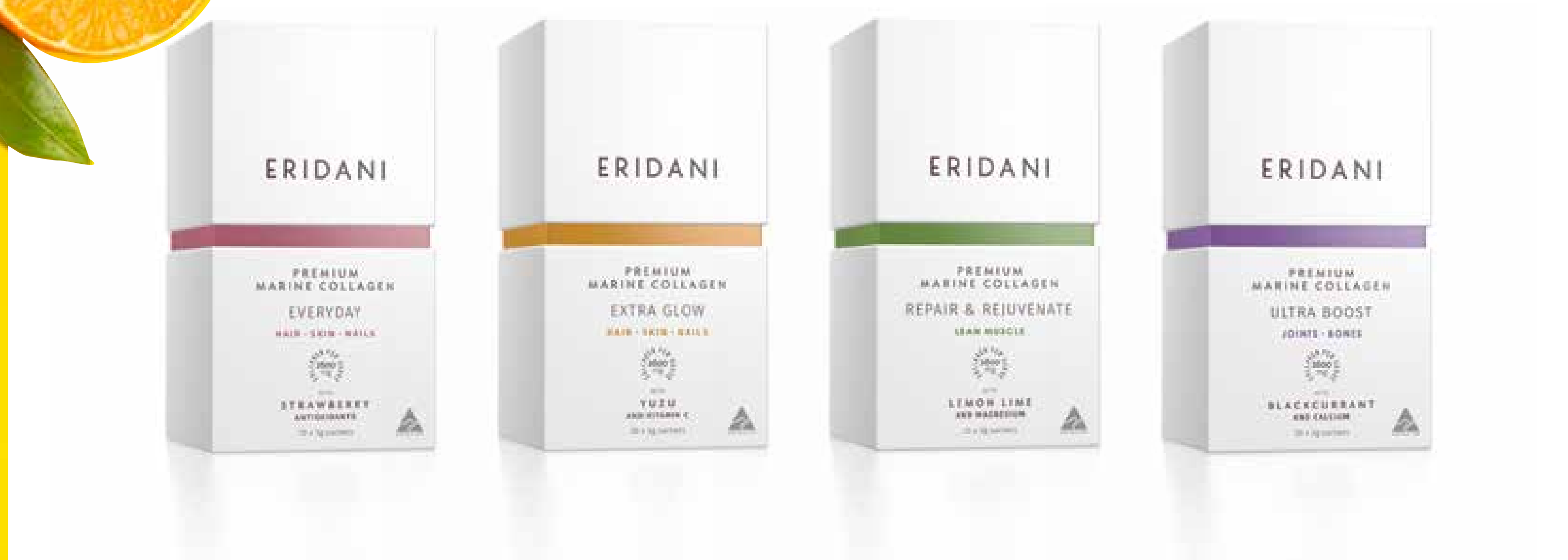
- Grow Original Juice Co Brand franchise in extending offer and availability
- Secure supply of fruit at competitive prices
- Build our capabilities
- Ongoing performance improvements to deliver year on year cost savings
- Launch better-for-you juices

Our Objectives

TO BE A LEADING PROVIDER OF BEVERAGES, FUNCTIONAL FOODS AND WELLNESS SUPPLEMENTS

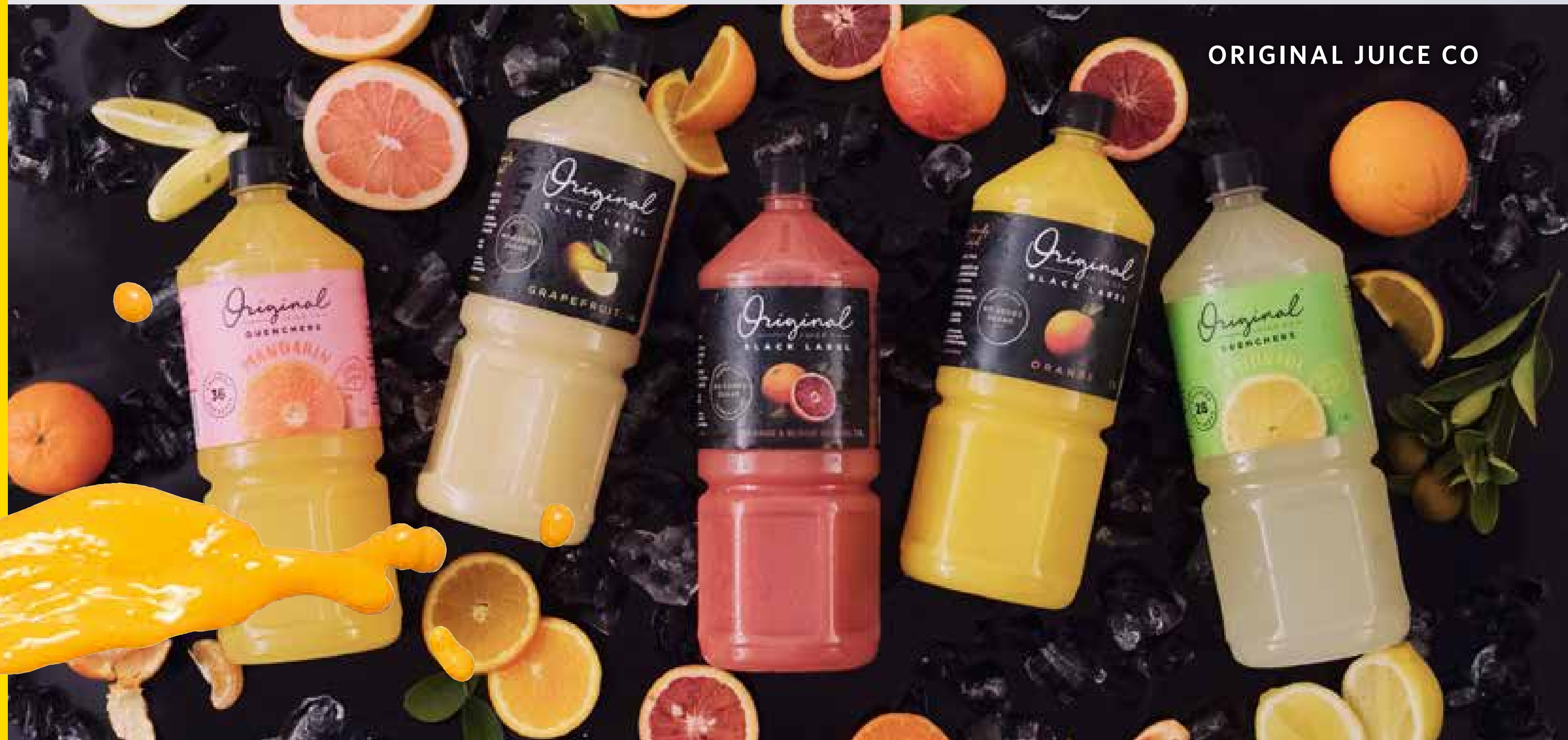
- SALES CAGR OF 16% PER ANNUM
- OBL TO ACHIEVE 15% SHARE OF AUSTRALIAN JUICE MARKET
- CHINA TO ACCOUNT FOR 30% OF REVENUE
- JUICE LAB TO BE A LEADING WELLNESS AND FUNCTIONAL BRAND
- PERFORMANCE IMPROVEMENTS TO DELIVER YEAR ON YEAR SAVINGS
- BUILD TEAMS CAPABILITIES
- LAUNCH ERIDANI ALL NATURAL HEALTH & BEAUTY BRAND
- DIVISIONALISE BUSINESS IN BEST SERVICING NEW MARKETS

ERIDANI PREMIUM MARINE COLLAGEN



JUICE LAB WELLNESS SHOTS

ORIGINAL JUICE CO



Markets We Operate In and Our Share

Fresh juice market, Australia

MARKET SIZE

$560 million

The Australian Juice market is growing at

3%

FOD SHARE

12%

FOD share across branded and house brand

+22%

Original Black Label growth in the last quarter

OUR BRANDS IN THIS MARKET

Original Juice Co — Black Label

Original Juice Co — Fruit + Veg

Original Juice Co — Quenchers

Juice Lab

HOUSE BRANDS

ALDI

Woolworths

Coles

Global wellness market

MARKET SIZE

$4.5 trillion

Global wellness is a $4.5 trillion market of which the healthy eating, nutrition & weight loss market is worth $702 billion; and the personal care, beauty & anti-aging market is worth $1,083 billion.

FOD initial focus is on the collagen market, currently worth $4.6 billion, anticipated to exceed $6 billion by 2026. Other areas being developed include adaptogenics and plant based products.

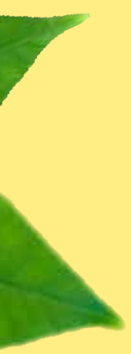
OUR BRANDS IN THIS MARKET

Juice Lab Wellness — SHOTS

Juice Lab Wellness — BEVERAGES

Juice Lab Wellness — ADAPTOGEN POWDERS

ERIDANI



2020 Overview

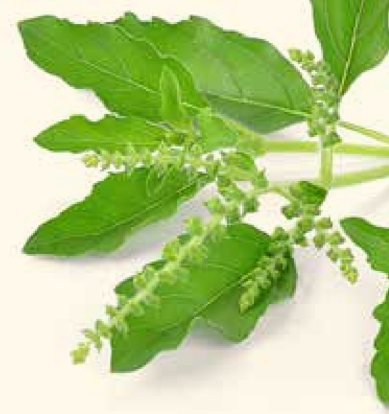
GROSS SALES
Gross sales from juice business up 14% to $36 million in FY20

RAW MATERIAL PRICES
Orange costs rose from $350 to $650 per tonne

EBITDA & STATUTORY LOSS
Losses reduced by $6 million

OPERATIONAL EFFICIENCY PROGRAM
Confirmed initiatives deliver $1.4 million in savings

RANGE EXTENSIONS
Launched 11 new OJC variants



Developments Since Year End

The Food Revolution Group management have secured significant changes and improvements in the market since year end that will have a meaningful impact on FY21 performance.

EBITDA & SALES GROWTH
1st quarter turnaround, now trading profitably

CHINA ENTRY
Eridani brand has been launched and secured a $1 million order to supply the Chinese market

PRICE INCREASES
Effective 14th September 2020, prices with all Australian retailers increased by over 12.5%

FASTEST GROWING BRANDS
OBL continues to be fastest growing juice brand, with 22% growth in last quarter

SECURE SUPPLY
Signed 24 month supply agreement with 200 major orange growers

200

Chairman's Report

"On behalf of the Board of Directors of The Food Revolution Group, I am pleased to present the 2020 Annual Report."

Norman Li
Chairman

Dear Shareholders, 2020 Financial Year was a year of challenges and successes for the Company and ultimately a year which laid the foundations to deliver a period of continued growth.

The global COVID-19 pandemic impacted the broader macro-economic environment driving up unemployment and reducing consumer spending. Whilst many retail brands suffered during the period, the functional beverage market continued to grow market share as consumers sought healthy and functional alternates in their consumption patterns.

The fires and droughts endured in parts of Australia during the year impacted the broader agriculture sector. Orange supply in Australia was significantly affected, leading to a rise in Valencia orange prices. Our team has worked to cover our supply requirements and has entered offtake agreements from over 200 of the largest orange growers in Australia, underpinning our raw material requirements for FY21 and beyond.

We have transitioned our management team to drive operational excellence within the organisation. The appointment of Tony Rowlinson as CEO brings a wealth of experience to the company. Tony has extensive global experience within blue-chip fast-moving consumer goods companies across UK, Australia and South Africa. The company is in good hands with Tony and he will focus on implementing clear brand strategies, best in class manufacturing processes and building a culture of excellence throughout the organisation.

Despite challenging conditions, our business has continued to grow. Early in the financial year, The Food Revolution Group acquired the Original Juice Co Black Label (OBL) from Heinz. The acquisition of OBL further cements The Food Revolution Group's position as a leading player in the functional beverage market. The re-launch of the Original Juice Brand delivered strong growth with new variants launched into Coles and Woolworths supermarkets performing above expectations. Despite the impact of COVID-19 on the broader retail environment, momentum of juice sales has remained strong.

During the year, the Company announced the construction of a 1,260sqm state-of-the-art clean room with laboratory, powder and liquid mix capabilities. Commissioning has been successful and the Company has launched a range of collagen products. The development of the wellness product range is primarily targeted to the Chinese export market and will boost sales and diversify our product offering.

"The growing sales network of more than 10,000 sales agents will allow The Food Revolution Group direct access to the Chinese domestic buyer. China remains a significant opportunity for the Company."

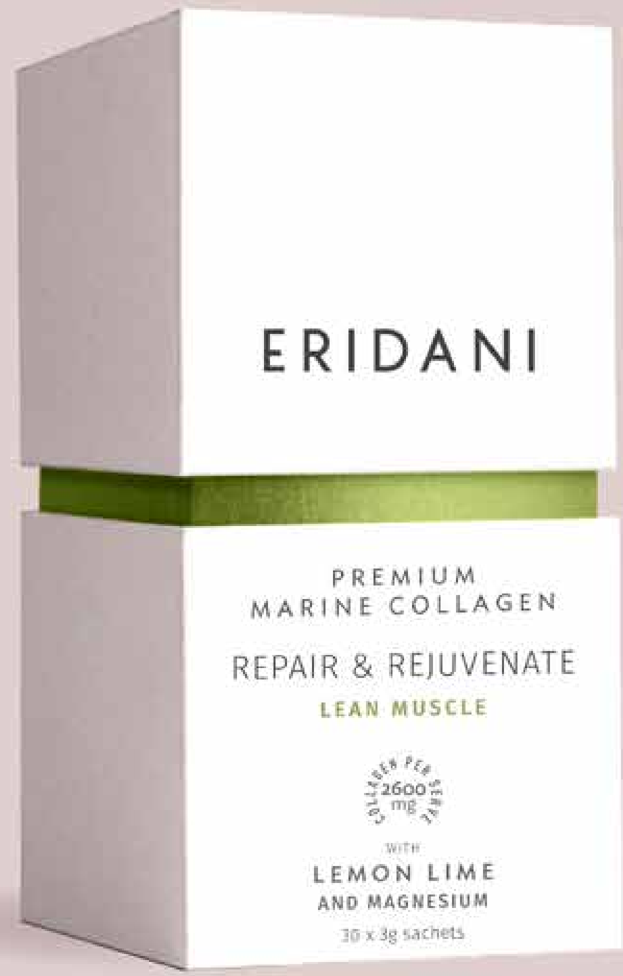
Our plans for growth in China remain. The relationship between Careline Australia and The Food Revolution Group continues to strengthen. Careline have established a deep and proven understanding of the Chinese consumer market in its 20-years of operations. Their growing sales network of more than 10,000 sales agents will allow The Food Revolution Group direct access to the Chinese domestic buyer. China remains a significant opportunity for the Company and working with Careline will give our expanding range of wellness products unprecedented access to the domestic Chinese market.

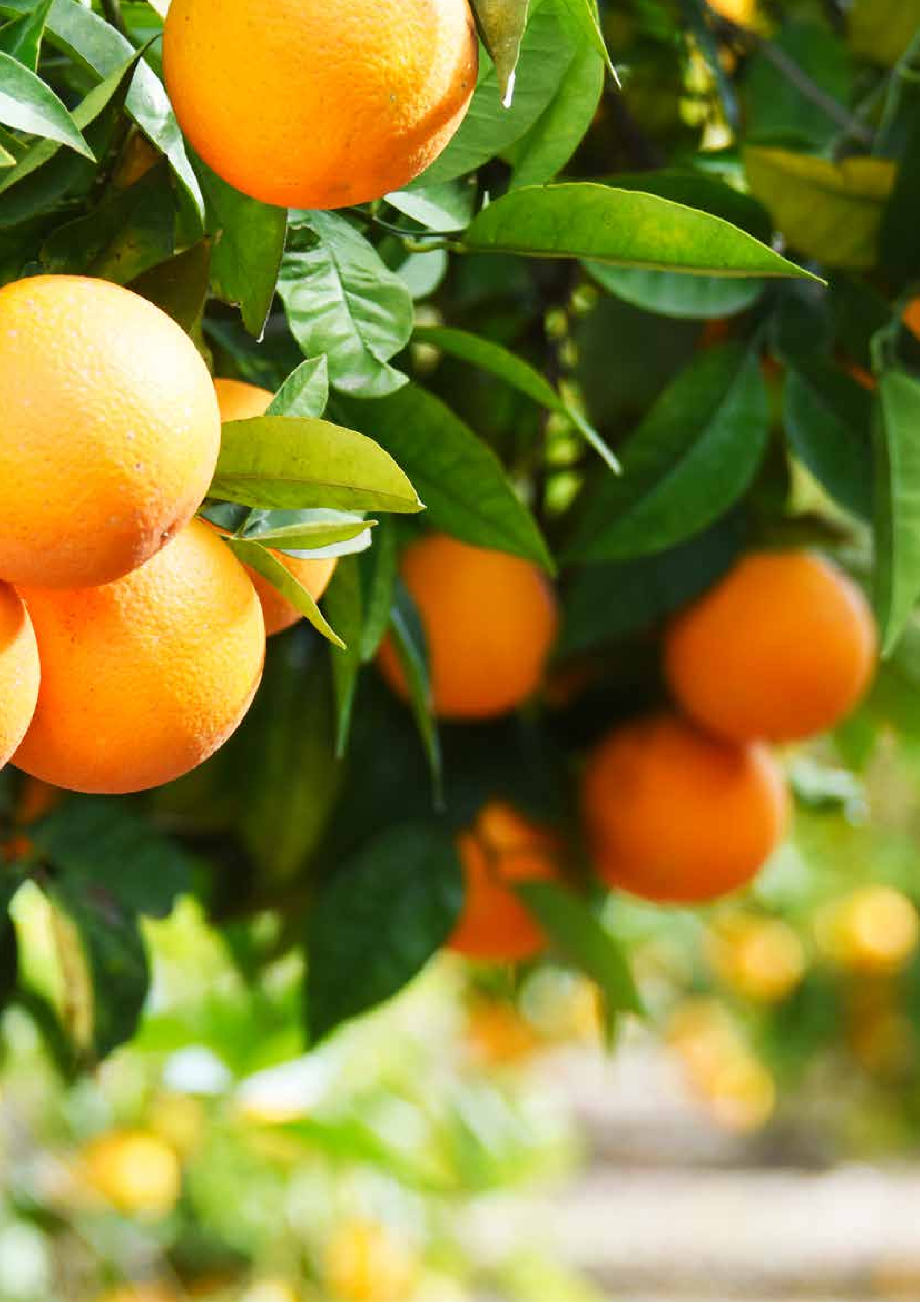
As a company, we are confident that we have the right products, the right management team and the right partners to allow The Food Revolution Group to drive growth and importantly enter a period of continued profitability and cash generation.

On behalf of the Board, I would like to thank our employees for the effort and contribution to the company through this challenging period. Finally, I would like to thank all of our shareholders for the continued support and we look forward to updating you on our continued progress during FY2021 and beyond.

Yours Sincerely,

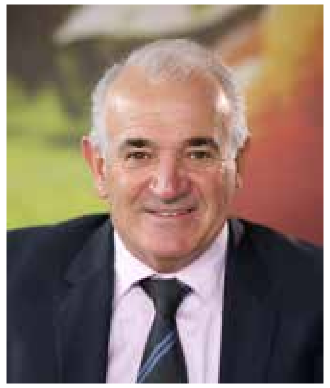
Norman Li
Chairman





Managing Director's Report

"My first report as Managing Director of The Food Revolution Group."



Tony Rowlinson
CEO/Managing Director

The timing of joining the Group has been challenging considering the unprecedented uncontrollable factors that have impacted our Industry and the business. The drought, summer fires in NSW and COVID-19 all had a direct influence on our costs, profitability and our ability to supply the juice market. The strategic decision to keep our brands on shelf for the period February to June 2020 ensured we had product for our consumers, our retailer partners and provided ongoing employment at our Mill Park facility. The decision has led to market share growth, improved retailer relationships and committed team at FOD.

Although managing the Group through COVID-19 has required FOD to change the way we operate, the team to date have done a remarkable job delivering excellent supply service levels nationally. Our ability to capitalise on the pandemic in the supply of hand sanitisers to the Australian market, demonstrated our agility and overall capabilities.

Due to COVID-19 and consumer trend to healthier food and beverage alternatives, the functional beverage market remains a rapidly growing sector within the broader beverage industry. Our Brand range of juices and functional beverages, continue to grow market share establishing FOD as a leading supplier to the Australian beverage market.

The acquisition of the Original Juice Co Black Label brand was a major milestone for the business in the past 12 months. Within our portfolio we now have an Australian icon brand, Original Black Label (OBL) established in 1988. With a 30 year plus legacy, we have strong established consumer loyalty and retailer support. The acquisition has also enabled us to extend our local range and provides the platform to enter more markets in Asia.

The commissioning of our new facility and roll out of our first wellness supplements aimed at the Chinese and local market, is also extremely exciting and the start of a new chapter for us.

Operationally we are focussed on driving efficiencies, cost reduction and cash generation.

The combination of quality products, increasing demand for function beverages, ongoing innovation and a focus on margins and profitability, provide a solid foundation for the company moving forward.

I am extremely excited for the future of The Food Revolution Group for our customers, staff and shareholders as we strive to deliver on our commitments.

POST THE END OF YEAR 2020 RELEASE ON THE 28TH JULY, THE COMPANY CONFIRMED PRICE INCREASES HAVE BEEN OBTAINED WITH ALL THE MAJOR RETAILERS EFFECTIVE 14TH SEPTEMBER 2020.

Overall commentary

FOD juice business grew to $36.6m up 14.1% vs $32m in FY19. The strong revenue growth was supported by the relaunch of the Original Juice Company Brand. The acquisition has been a success with the number-one Brand, OBL, growing at 22% vs market growth of less than 3%.

The planned extensions for OJC Brands have been well accepted by the market with new ranges now positioned at the major retailers. The OJC now has variants across:

- Pressed fruit & vegetable
- Quenchers
- Functional juices.

Based on FOD's juice capabilities across innovation, manufacturing and procurement, the company is also a leading supplier of House Brands for the major retailers in Australia.

In executing our overall strategy to deliver a more profitable sales mix, FOD will not engage in any contracts that do not deliver desired margins. This could lead to lower sales but improved margins.

During the year, the Company took the opportunity presented by the COVID-19 pandemic to launch a range of hand sanitisers. The product line delivered $5.6m in revenue and exceeded initial sales expectations. The strong demand resulted in FOD having to use 3rd party manufacturers to meet the higher demand.

Improving costs and Margins

Cost of goods related to juice sales increased by 18.0% as compared to 14.1% growth in revenue. The increase in COGS resulted in gross margins declining from 28.9% to 14.6% for our juices.

Key factors impacted the unexpected COGS increase:

- The price of Valencia oranges increased from $350/tonne to $650/tonne due to the drought and fires. (Oranges account for over 50% of total COGS).
- With no grower contracts in place, FOD was forced to pay a premium for oranges in sourcing supply from Brazil and trading on the Australian spot market.
- The acquisition of the OJC Brand from Heinz also changed the responsibility of retailer trading terms. Prior to the acquisition, FOD contract packed OJC brands for Heinz and as such raw material price increases were passed through and Heinz managed Retailer trading terms.
- A $0.6m write-down of inventory value.

The Company has engaged with all major retailers in addressing trading terms and price increases for OBL Brand and House brand contracts. Post the end of year 2020 release on the 28th July, the company confirmed price increases have been obtained with all the major retailers effective 14th September 2020.

We also announced in June that we have secured supply agreements with 200 major orange growers in Australia for the next 24 months effective 1st July 2020. The prices have been secured at market rates and will nullify the disaster we experienced earlier in the year regarding supply and prices.

The rollout of the premium wellness ranges commencing in September will also assist in delivering the Company a more profitable sales mix.

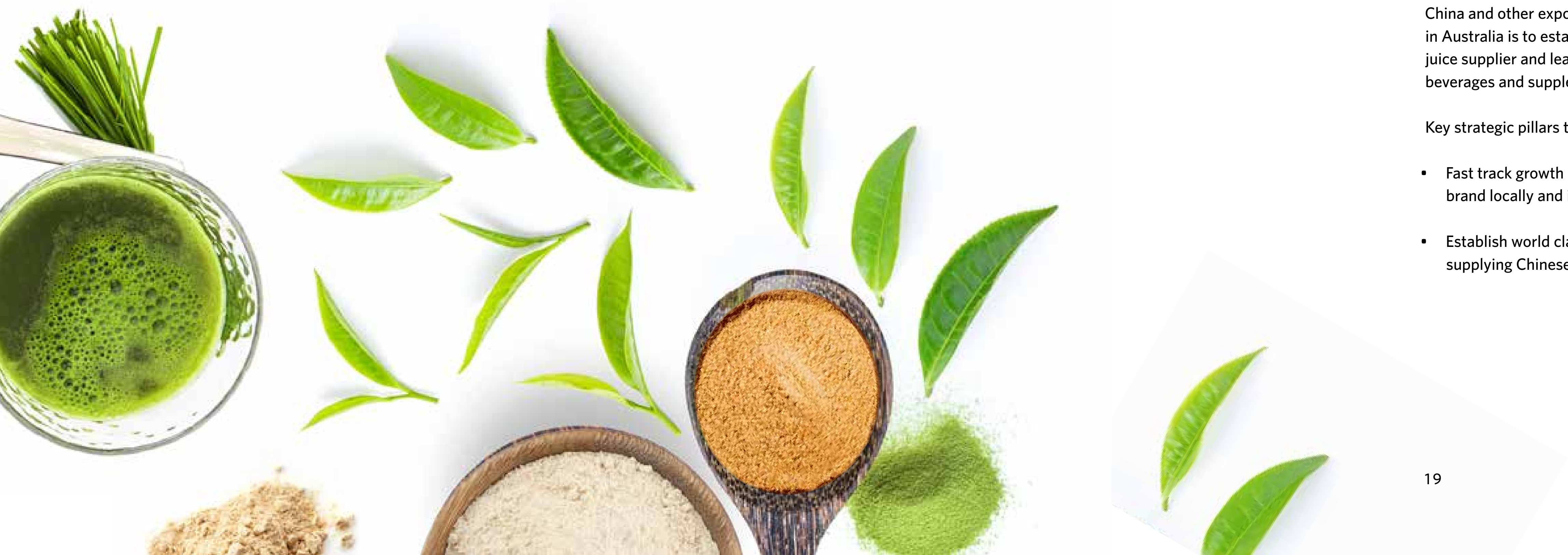
Higher retail prices, secured raw material supply and performance improvements will deliver gross margin improvements in FY21.

Original™ JUICE Co BLACK LABEL

FOD juice business grew to $36.6m up 14.1% vs $32m in FY19. The strong revenue growth was supported by the relaunch of the Original Juice Company Brand.

The acquisition has been a success with the number-one Brand, OBL, growing at 22% vs market growth of less than 3%.

Operational excellence and a culture of performance management will help drive efficiencies through our organisation, reduce waste, improve margins and are ultimately a key component for delivering profits and positive cash generation.



Supportive Balance sheet
During the year, the company received $5.4m from Careline (Tranche 4 of their investment). The funds received were used to upgrade the Mill Park production facility and the development of innovative new products under the Original Juice Company Black Label brand.

As of 30 June 2020, the company had $2.9m of cash in the bank. Drawn debt as at 30 June 2020 was $7.6m unchanged versus FY19.

Our three-year plan
In having stabilised the base business – functional juices in Australia, the group is now in the position to fast track growth plans across Australia in delivering our Vision:

"To be a leading provider of beverages, nutraceuticals, functional foods and wellness supplements that improve the quality of consumers lives in the use of all-natural ingredients."

FOD is planning to deliver revenue CAGR in excess of 16% over the next 3 years ($58m by 2023) as we rollout wellness ranges into China and other export markets. The ambition in Australia is to establish FOD as a leading juice supplier and lead functional/wellness beverages and supplements.

Key strategic pillars to deliver profitable growth:

- Fast track growth of Original Juice Company brand locally and in other export markets
- Establish world class distribution model in supplying Chinese market
- Establish export division – expectation that China & other export markets will account for over 30% of business by 2023
- Investment in online & ecommerce capabilities in the marketing and selling of wellness supplements in Australia and other Asian markets
- Ongoing price increase for juices based on price of raw materials (oranges & other fruits)
- Roll out performance improvement programs in delivering year on year cost savings
- Invest in major brands to grow & establish consumer franchise
- Launch range of functional/wellness brands across nutraceuticals market
- Adapt customer-centric model with us leading the market in consumer insights and market trends

Building FOD brands
Consumers are continuing to seek out healthier and more environmentally friendly alternatives in the traditional beverage market. FOD is well placed via our range of healthy juices and functional beverages to service and grow in this section of the market.

Original Juice Company
FOD acquired the Original Juice Co Black Label (OBL) from Heinz in September 2019. The acquisition allowed us to leverage the established Australian brand to innovate and develop new products for Australian and overseas markets.

"CONSUMERS ARE CONTINUING TO SEEK OUT HEALTHIER AND MORE ENVIRONMENTALLY FRIENDLY ALTERNATIVES TO OFFERINGS IN THE TRADITIONAL BEVERAGE MARKET. FOD REMAINS WELL PLACED VIA OUR RANGE OF HEALTHY JUICES AND FUNCTIONAL BEVERAGES TO SERVICE AND GROW IN THIS SECTION OF THE MARKET."

OBL continues to position FOD as a leading player in the fresh juice market. The re-launch of the Original Juice Brand continues to deliver strong growth. New variants launched into Coles and Woolworths performed above expectations. Despite the impact of COVID-19 on the broader retail environment, momentum for juice sales has remained strong.

The Juice Lab (Range of functional/wellness beverages and powders)
Capitalising on the global trend for preventative medicines, foods and beverages impacted by the pandemic, FOD is rolling out a range of wellness shots, beverages and plant-based wellness powder supplements across the Juice Lab Brand.

Based on FOD being the first to market with "all natural" plant-based wellness ranges, the initial response from the major retailers has been extremely encouraging. Expectation that the ranges will be available 3rd Quarter 2021.

Preliminary work has also commenced in establishing foot print in the $3.5Bn Australian Carbonated Soft Drink (CSD's) market.

Eridani
Eridani is the first wellness range to be produced at the new facility at Mill Park. The overall brand positioning is to focus on a holistic approach for health and wellness and that beauty is created from within. The brand uses only 100% natural, sustainable and premium quality ingredients to deliver a range of health and beauty benefits.

Eridani Marine Collagen range has been produced and is being launched into the Australian and Chinese markets effective September 2020. The collagen market is worth in excess of $4.6Bn and set to exceed $10Bn by 2025 based on it being the best source of all-natural protein.

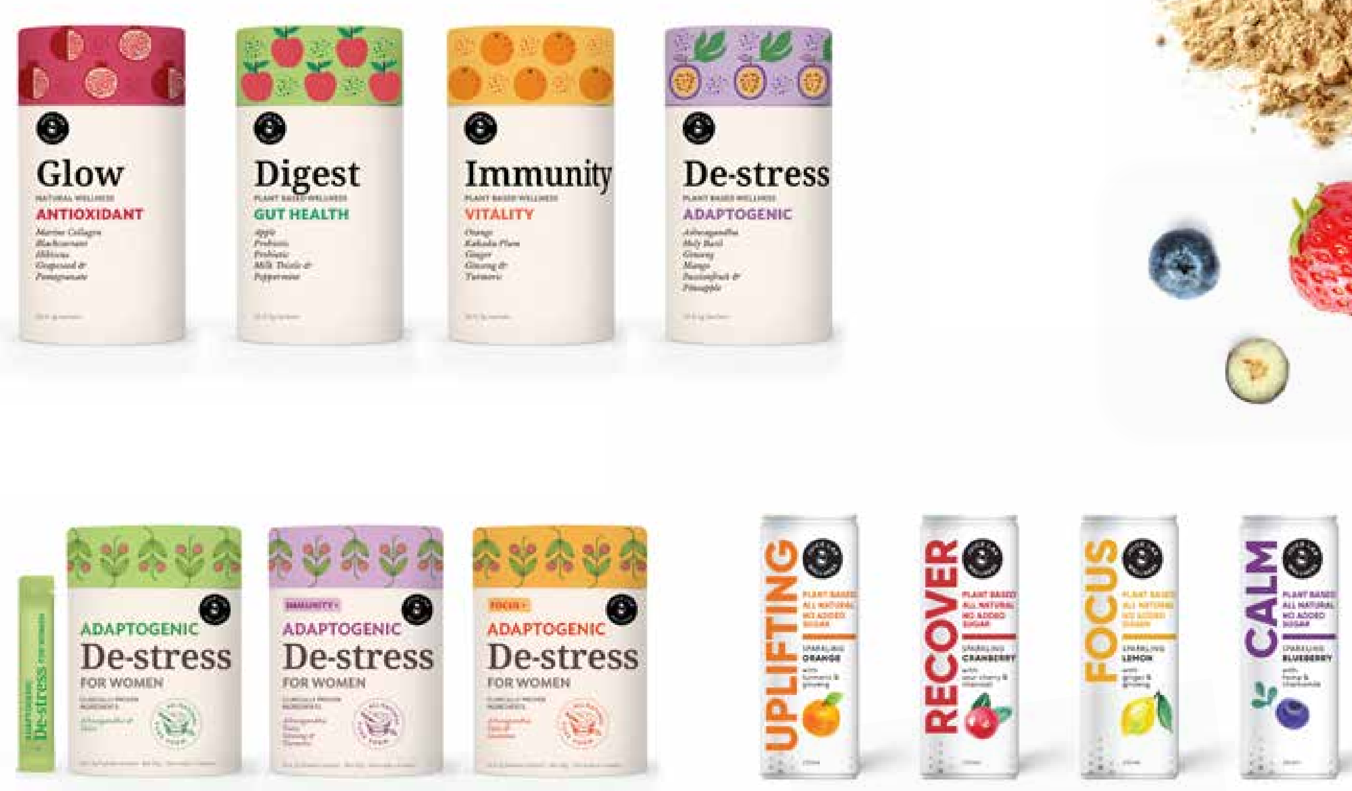
Eridani Premium Marine Collagen focuses on targeting the whole body with the addition of Vitamin C, Calcium and Magnesium, creating an age-defying inner beauty foundation with benefits internally and externally.

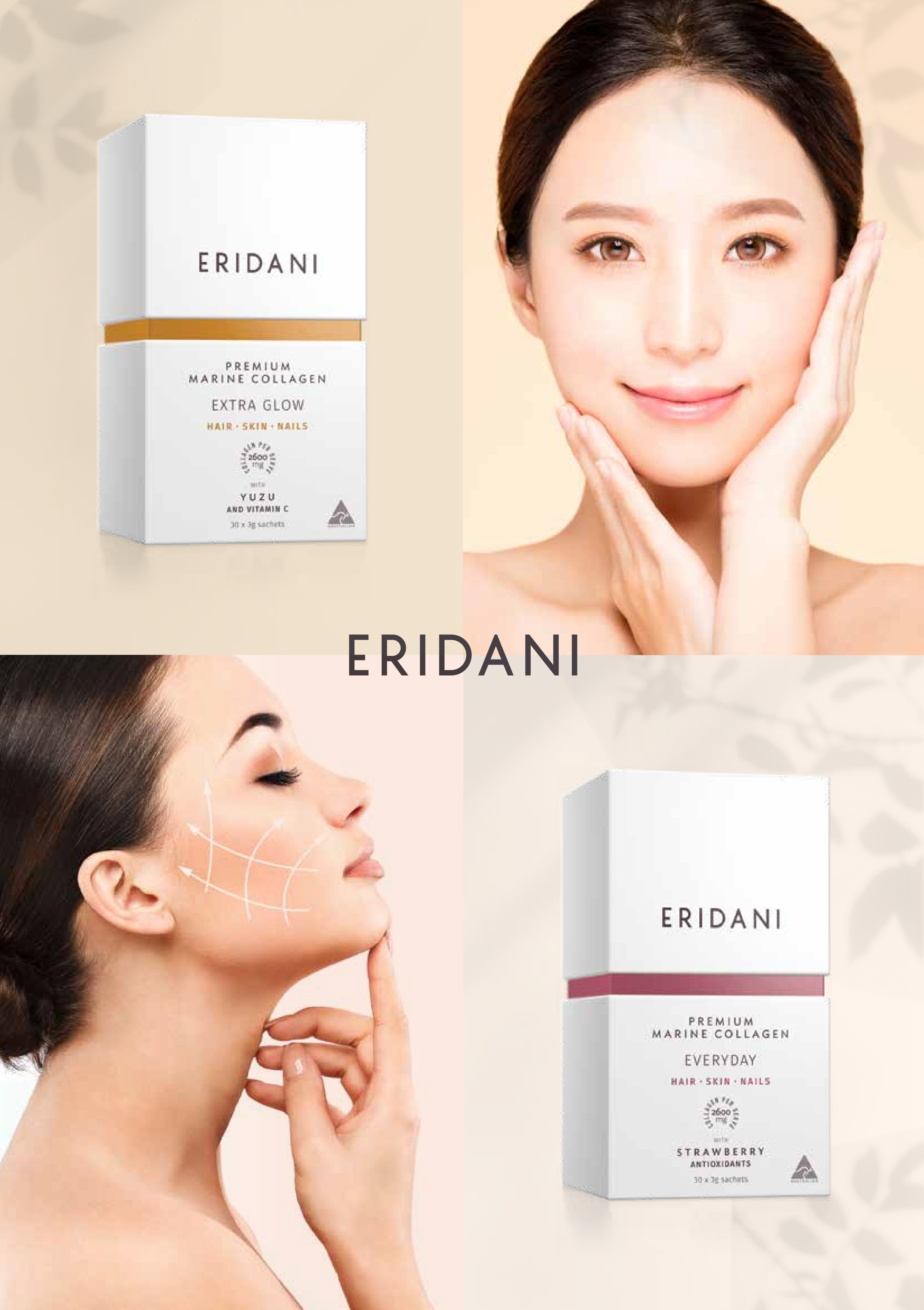
An extended range of Eridani products are being developed across FOD capabilities in powder, gel and liquid formats.

Driving operational excellence
Post the end of the year (ref ASX release 28 July 2020) the company announced a focus on improving operational efficiency. Following the comprehensive review, we have identified key areas for improvement:

- Increased line performance addressing downtime and increasing product throughput. We have installed industry-leading OFS software solutions that integrate manufacturing performance data to deliver sustained operational excellence.
- Improved shift planning has delivered more continuous running of key lines reducing labour cost and improving number of bottles produced.
- A juice recovery plan has been commissioned to reduce the amount of waste generated by the manufacturing process. Limiting waste and increasing utilisation of raw materials will significantly improve operating margins.

In capitalising on the global trend for preventative medicines, foods and beverages impacted by the pandemic, FOD is rolling out a range of wellness shots, beverages and plant-based wellness powder supplements across the Juice Lab Brand.





"ERIDANI MARINE COLLAGEN RANGE IS NOW AVAILABLE FOR SALE, PRESENTATION VIA CARELINE'S ECOMMERCE PLATFORM AND VIA THEIR 10 000 SALES AGENTS WILL COMMENCE IN OCTOBER WITH SHIPMENTS EXPECTED TO COMMENCE IN NOVEMBER."

- Identifying labour savings through better managing our peel wastage process.
- A utility saving project that focusses on our internal flow process and management of our utility suppliers to reduce energy costs. Initial improvements in gas usage have delivered calendar YTD savings in excess of $50,000.
- Introduction of a Homogenising pulp usage process is also expected to deliver a substantial reduction in the cost of goods.
- The procurement team are also working on ongoing cost of good reductions in better sourcing.

Our pursuit of operational excellence will never stop. Whilst there have been some key initiatives identified, there remains much to do to drive improvement through our facilities as we adapt new technologies (AI) and continue to challenge all of our team to seek new ways of improving our business.

Operational excellence and a culture of performance management will help drive efficiencies through our organisation, reduce waste, improve margins and are ultimately a key component for the business to transition to a foundation of sustainable cash generation.

Wellness Products and the China opportunity
During the year we announced the construction of a 1260sqm state-of-the-art clean room with laboratory, liquid, gel and powder mix capabilities. The manufacturing machinery comprising of a 12-channel high-speed powder sachet machine and mixing facility which will manufacture high-end health care and beauty products such as marine proteins, adaptogens, fibres and other beauty and functional health products are now all operational.

Commissioning trials at the new state-of-the-art Mill Park facility have been successful and we have commenced trialling a range of plant-based wellness supplements under the Juice Lab brand for the Australian market.

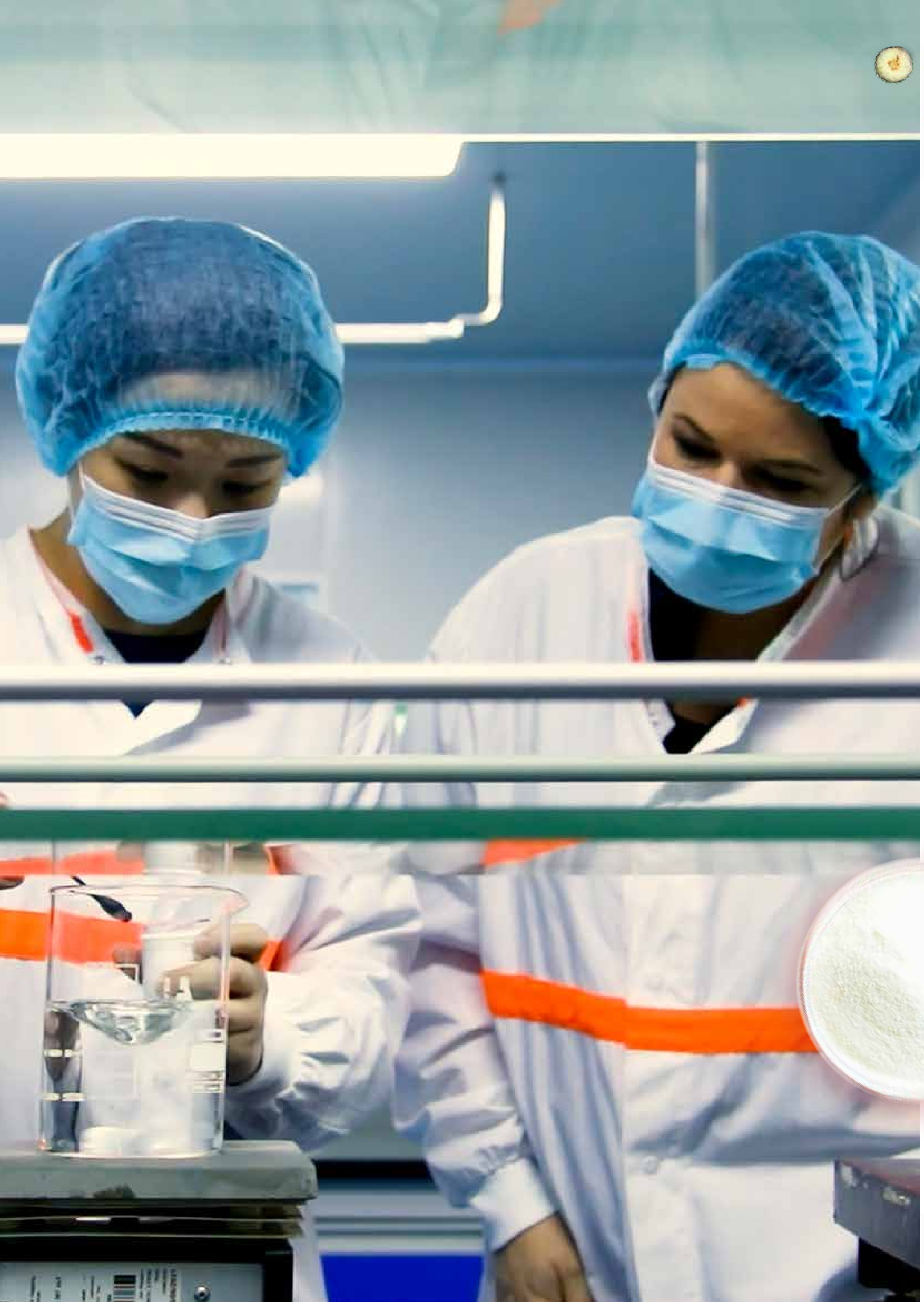
Eridani, a range of Marine Collagens which has the benefits of improving appearance of skin, hair and nails, boosting metabolism and reducing inflammation is being rolled out into the market.

Chinese growth strategy
China offers the single biggest future opportunity for FOD. Based on the Group's strong Chinese capabilities, FOD is extremely well positioned to capitalise on the tremendous growth of the Chinese Wellness supplement markets.

With Eridani Marine Collagen range now available for sale, presentation via Careline's ecommerce platform and via their 10 000 sales agents will commence in November. Careline Australia will be Eridani's distribution partner into the Chinese domestic market and both companies have strong expectations for the success of the brand.

The marketing and development of selling functional juices continues to develop with representation in COSTCO and other major outlets.

We are also excited to announce that Eridani will be launched at the Shanghai Show on the 5th November. Original Juice Company Brands and Juice Lab wellness beverages will also be promoted at the show.



"THE HEALTH AND SAFETY OF THE TEAM REMAINS A KEY PRIORITY FOR FOD. TO ENSURE OUR STAFF'S SAFETY AND MINIMISE THE RISK OF INFECTION OF COVID-19, THE COMPANY IMPLEMENTED A NUMBER OF POLICIES DURING FY20. THESE MEASURES INCLUDED A SPLIT TEAM POLICY, INCREASED HYGIENE PRACTICES, DAILY TEMPERATURE CHECKS, LIMITED VISITORS TO THE SITE AND ENCOURAGING AND HELPING FACILITATE REMOTE WORKING ARRANGEMENTS WHERE POSSIBLE."

Building and creating the FOD culture

In turning the business around and ensuring sustainable results, we have embarked on the following key initiatives in building a formidable team to lead the business in Australia and entering new markets and geographies:

Capabilities

- The Board and I have done an extensive review of the team's capabilities and made some major decisions in building the bench strength of the team. The appointment of new Commercial Director, Nick Stoikos, has delivered excellent results with FOD establishing solid rapport with the major retailers which has assisted in obtaining price increases, listing of new products and providing improved sales and operational planning models.

- The search and appointment of a CFO is work in progress.

- The re-structure and role review at a senior management level has provided clarity of accountability and responsibilities.

- With FOD now a Branded business as well as Exports expected to account for over 30% of sales, we have commenced work in building our brand, export and digital/online capabilities.

- The planned installation of an ERP system which will assist in overall management effectiveness and reporting of FOD, has been delayed due to COVID-19 isolation restrictions.

Alignment & execution of the Business Plan

Following the development of the FY21 Plan by the senior management team, in ensuring cross functional alignment in the execution of the plan, a Company Scorecard system has been introduced. All Divisions now have their scorecards that feed into the overall monthly Company Scorecard.

KPI's have been set across the management team with monthly 'one on one' reviews to provide leadership and support in the execution of the plan.

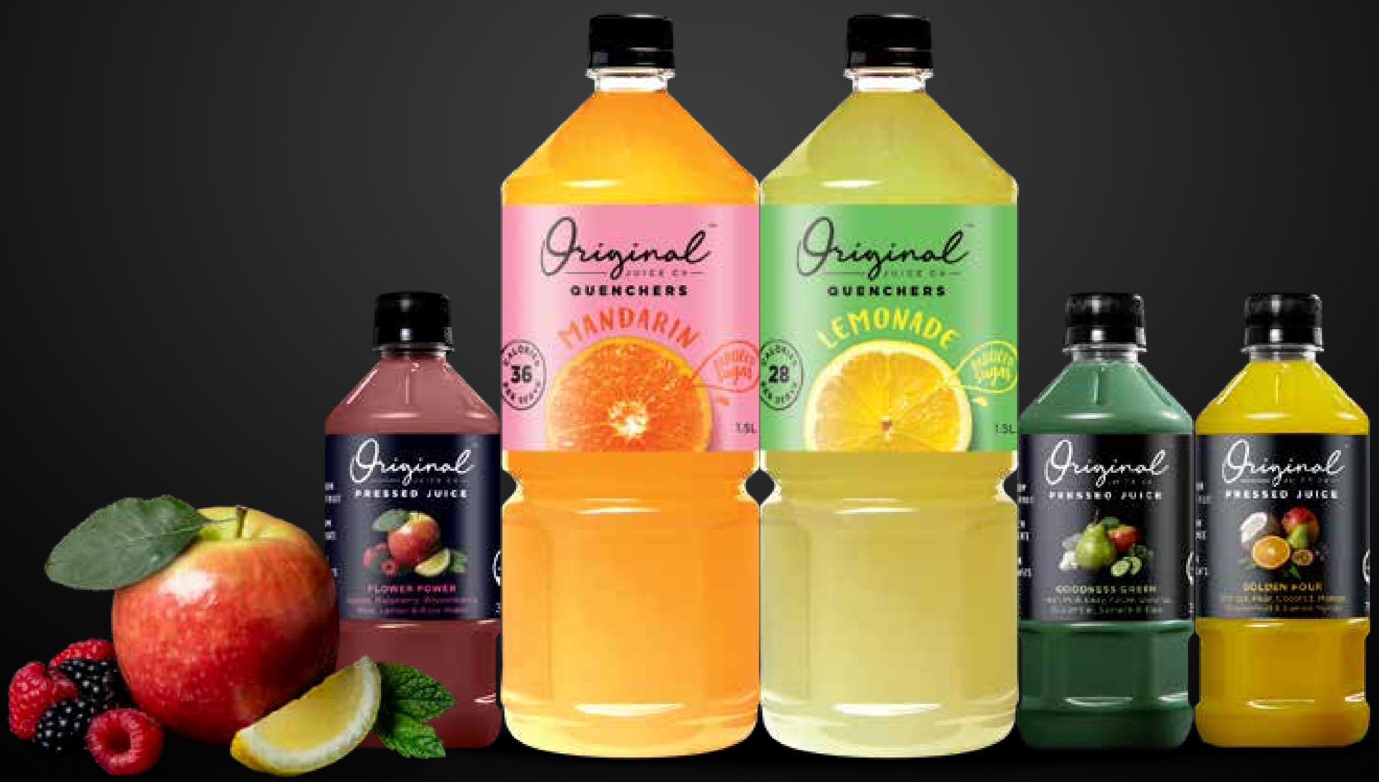
Daily visual board meetings across the Operational and Maintenance team has delivered improved efficiencies in addressing problem areas immediately.

Our People

The health and safety of the team remains a key priority for FOD. To ensure our staff's safety and minimise the risk of infection of COVID-19, the company implemented a number of policies during FY20. These measures included a split team policy, increased hygiene practices, daily temperature checks, limited visitors to the site and encouraging and helping facilitate remote working arrangements where possible. FOD continues to enforce modified packaging rosters to limit the risk of any COVID-19 infection and ensure our operations remain fully operational and continue to deliver products to our customers. The Mill Park facility remains a 'business critical' operation under Victorian Government legislation and we do not expect a tightening of social distancing policies to impact production levels.

Our overall safety performance during the year was one LTI. The LTI was extremely unfortunate and extremely upsetting for the Board and management team. A culture of excellence has improved safety standards and we will continue to provide a safe workplace

The company has started FY21 on a positive note with good profits delivered. FOD has secured double digit price increases with all of our major retailing customers for the Original Black Label (OBL) juice products.



"THE COMBINATION OF QUALITY BRANDS, INCREASING CONSUMER DEMAND FOR BETTER-FOR-YOU PRODUCTS, ONGOING INNOVATION IN WELLNESS SUPPLEMENTS AND FOCUS ON MARGINS AND PROFITABILITY, PROVIDE A SOLID FOUNDATION FOR THE COMPANY MOVING FORWARD."

for our employees. I would like to thank all the staff for their continued focus on safety and their commitment to the company during the unique and challenging environment of a global pandemic.

Strong start to FY21

The company has started FY21 on a positive note with good profits delivered. FOD has secured double digit price increases with all of our major retailing customers for the Original Black Label (OBL) juice products. The price increases will commence from the 14th of September and provide strong revenue and margin momentum for the company in to FY21.

We would like to sincerely thank our major customers for their support in accepting higher prices for our OBL Brand. With the orange juice industry significantly impacted by drought, fires and COVID-19 that has led to short supply and extremely high costs, we are relieved as to the positive outcome.

With improving volumes, strengthening prices, security of raw material supply and a focus on operational efficiencies and cost control, FOD is well positioned, subject to broader macro-economic conditions, to deliver improved financial performance in FY21.

Outlook

FOD team is committed to delivering acceptable profits for the company moving forward. The major focus is on executing the FY21 plan, delivering quality functional beverages and fast track launch of wellness supplements aimed at the Chinese and other export markets.

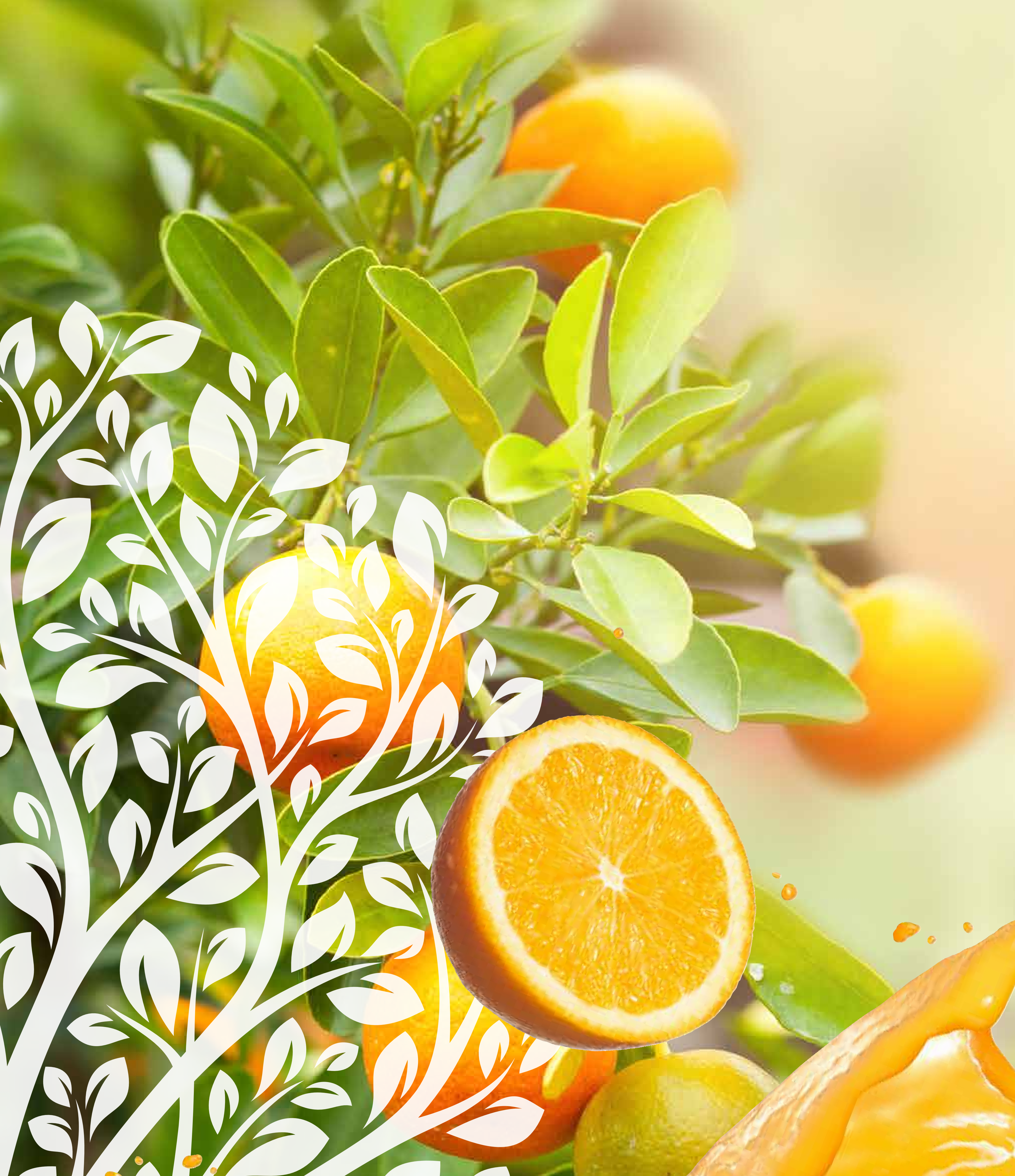
Key deliverables for the management team:

- Provide a safe working environment
- Build meaningful relationships across all stakeholders ... shareholders, consumers, customers, suppliers and associated industry bodies
- Ongoing innovation and speed to market
- Execute identified cost-saving and operational efficiencies
- Create a high-performance culture based on transparency, trust and respect
- Establish FOD as a leading supplier of nutraceuticals into Chinese and other export markets
- Build brand franchise in effectively engaging with consumers across the brand portfolio-OBL, OJC, Juice Lab and Eridani
- Establish FOD as the supplier of choice with our major retailers

I am genuinely excited by the opportunities I see at The Food Revolution Group – from top line revenue growth received from our core and emerging product range, through to operational efficiencies. I would again like to thank the entire Food Revolution team for their continued, tireless efforts and I look forward to updating our shareholders on a regular basis throughout 2021.

Yours Sincerely,

Tony Rowlinson
CEO/Managing Director



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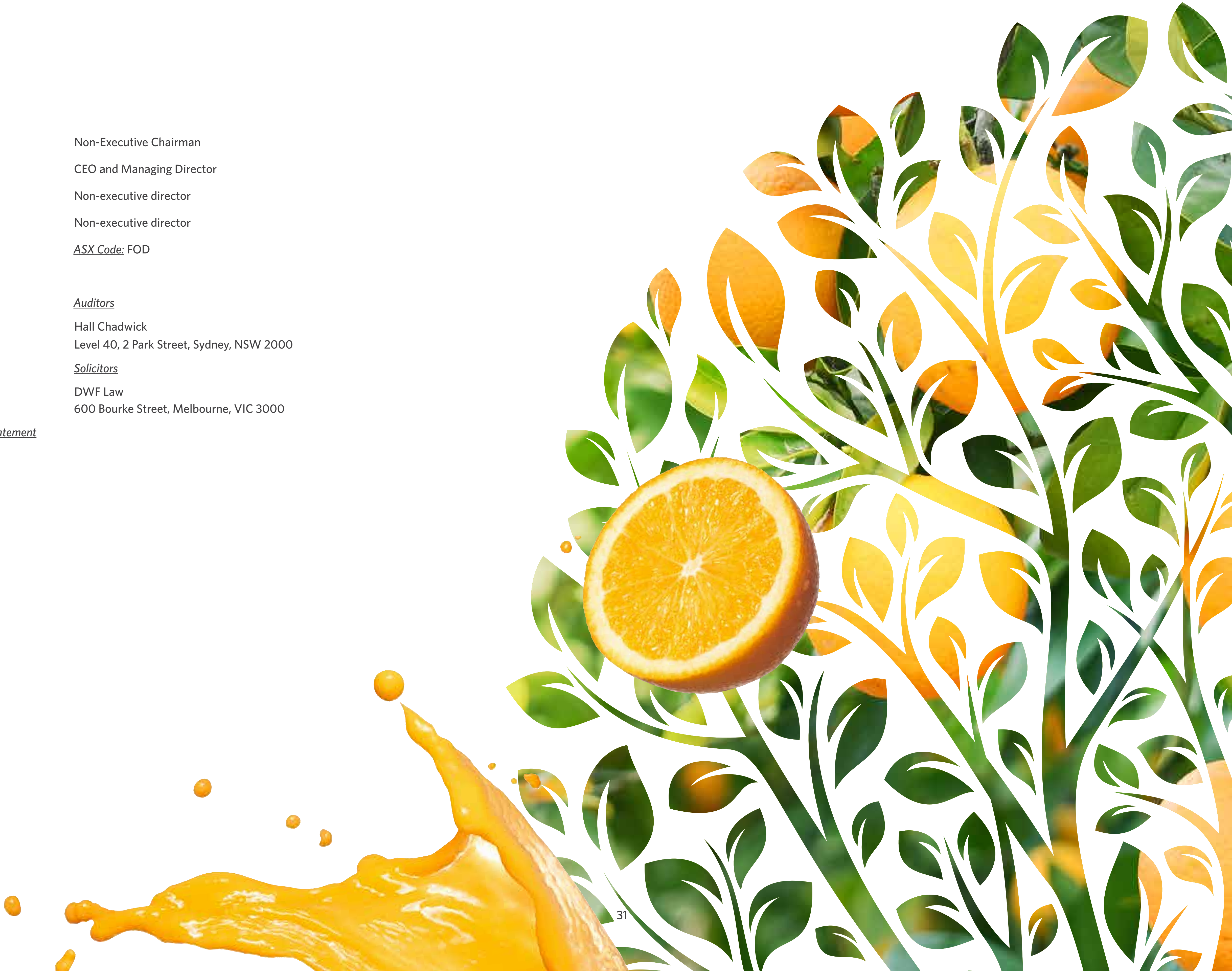
The financial report is presented in Australian dollars.

Corporate directory

Directors	
Norman Li	Non-Executive Chairman
Tony Rowlinson	CEO and Managing Director
Matthew Bailey	Non-executive director
Minna (Norman) Rong	Non-executive director
Postal Address	*ASX Code:* FOD
20 Heaths Court, Mill Park, VIC 3082	
Share Registry	*Auditors*
Advanced Share Registry	Hall Chadwick Level 40, 2 Park Street, Sydney, NSW 2000
Australian Securities	*Solicitors*
Exchange Centre 20 Bridge Street, Sydney, NSW 2000	DWF Law 600 Bourke Street, Melbourne, VIC 3000
Web Address/Corporate Governance Statement	
www.thefoodrevolutiongroup.com.au	

OPERATING AND FINANCIAL REVIEW



Financial report for the year ended 30 June 2020

Principal Activities
The principal activities of the consolidated group (**Group**) during the financial year were:

- the manufacture of a range of functional juices, fibres, infused fruits and fruit waters for sale as branded products and/or ingredients;
- the provision of co-packing and logistics services to third parties; and
- the research and development of various innovative food related technologies to develop new functional food products and ingredients.

The Group's operations were conducted in Australia.

Significant Changes to Activities

During the year, the Group acquired the Original Juice Co brand and successfully launched a number of new branded products into the domestic grocery channel.

As well as the production of juice and beverages, the Group took the opportunity presented by the COVID-19 pandemic to launch a range of hand sanitisers, which delivered $5.6m in revenue for the year.

There were no other significant changes in the nature of the consolidated Group's principal activities during the financial year.

Operating Results
Revenue
Gross sales for the group were $42,230,175 and net revenues after trading terms, volume rebates and other claims (**trading terms**) were $34,813,988. Trading terms generally apply in respect of sales of product into the grocery channel.

Gross Profit
Gross profit margin for the year was 15% compared to the prior year of 29%.

Gross margins were negatively impacted by the dramatic increase in the price of locally supplied oranges brought on by the summer drought, bush fires in NSW and COVID-19. With a national shortage of oranges, FOD imported oranges from Brazil at higher than expected prices in ensuring continuity of supply to the market. An inventory writedown of $2,144,529 has also been included in cost of sales which has impact to gross margins.

OPERATING AND FINANCIAL REVIEW

Expenses
Expenses as % to Net Revenue decreased to 30.0% compared to 53% of Sales in FY2019 due primarily to an decrease in operating costs. The decrease in operating costs was predominantly due to the one-off cost of $3,334,000 for the settlement of an account with Heinz included in FY2019 figures.

	2020	2019
	$	$
Employment costs	4,442,660	4,497,238
Administrative costs	1,065,152	2,330,218
Operating costs including one -off costs	3,161,874	7,473,458
Marketing costs	1,695,133	1,214,231
Total	**10,364,819**	**15,515,145**
% Net Revenue	**30.0%**	**53.0%**

	2020	2019
	$	$
Statutory loss after tax	(9,613,161)	(15,752,701)
Income tax expense	158,445	1,303,270
Depreciation, amortisation and write-offs	2,699,289	2,051,500
Finance costs	1,295,588	840,391
Impairment on financial and non-financial assets	465,570	6,092,328
Write-down of inventory	2,144,529	-
Normalised EBITDA	**(2,849,740)**	**(5,465,212)**

Cash flow
Cash balances at year end decreased to $2,937,212, from the prior year balance of $3,045,578.

Debt
Borrowings have increased by an immaterial amount.

Financial Position
The net assets of the consolidated Group have decreased by $3,592,912 as of 30 June 2019 to $10,179,584 as of 2020. This decrease is largely due to impairments and write-downs of financial and non-financial assets.

The directors believe the Group is in a stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs
The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- On 21 October 2019, John Fitzgerald resigned as CFO and Company Secretary with Finance Director Joe Zhou absorbing the responsibilities of the CFO and Finance Manager Daniela Stojanoska being appointed as Company Secretary.
- On 14 April 2020, John Florey resigned as CEO and Tony Rowlinson was appointed as CEO.
- On 10 June 2020, Nick Stoikos appointed Commercial Director.
- On 29 June 2020, Joe Zhou resigned as a Director of the company.

Events after the Reporting Period
- On 27 August 2020, Tony Rowlinson appointed as Managing Director.
- On 24 September 2020, Rocky Zou appointed as Director of the company.
- On 24 September 2020, the Eridani brand was launched and the company has secured $1m order to supply the Chinese market.

Future Developments, Prospects and Business Strategies
In delivering FOD Vision:

“To be a leading provider of beverages, nutraceuticals, functional foods and wellness supplements, that improve the quality of consumers lives in the use of all- natural ingredients”

The Company is planning to rollout wellness ranges into China and other export markets. The ambition in Australia is to establish FOD as a leading juice supplier and lead functional/ wellness beverages and supplements.

Key strategic pillars to deliver future profitable growth:

- Fast track growth of Original Juice Company Brand locally and in other export markets
- Establish world class distribution model in supplying Chinese market
- Establish Health Division- major focus on China & other export wellness supplement markets
- Investment in online & ecommerce capabilities in the marketing and selling of wellness supplements in Australia and other Asian markets
- Roll out Performance Improvement programs in delivering year on year cost savings
- Invest in major Brands to grow & establish consumer franchise
- Launch range of Functional/ Wellness Brands across nutraceuticals capabilities
- Seek potential M&A within the Australian juice market in delivering cost improvements through industry consolidation

Environmental Issues
The consolidated Group’s operations are not subject to significant environmental regulations under the laws of the Commonwealth and state.

DIRECTOR'S REPORT

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of The Food Revolution Group Limited and its controlled entities for the financial year ended 30 June 2020. The information in the preceding operating and financial review forms part of this directors' report for the financial year ended 30 June 2020 and is to be read in conjunction with the following information:

General Information

Directors

The following persons were directors of The Food Revolution Group Limited during or since the end of the financial year up to the date of this report:

Tao (Norman) Li	–	Non-Executive Chairman
Tony Rowlinson	–	CEO, appointed on 14 April 2020 and Managing Director, appointed on 27 August 2020
Matthew Bailey	–	Non-Executive Director
Minna (Norman) Rong	–	Non-Executive Director
Rocky Zhou	–	Non-Executive Director, appointed 24 September 2020
Qu (Joe) Zhou	–	Director, resigned on 29 June 2020
John Florey	–	CEO and Managing Director, resigned on 14 April 2020

Particulars of each current director's experience and qualifications are set out in the following section of this report.

Dividends Paid or Recommended

No dividends were paid or declared during the financial year.

Indemnifying Officers or Auditor

During or since the end of the financial year, no indemnities have been given and no agreements have been entered into to indemnify, and no insurance premiums have been paid or have been agreed to be paid.

Proceedings on Behalf of Company

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

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

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 for the following reasons:

- All non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no non-audit services provided during the year ended 30 June 2020 to Hall Chadwick.

Auditor's Independence Declaration
The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 16 of the financial report.

Options
During the year the following options lapsed:

Grant Date	Date of Expiry	Exercise Price	No.
01/02/2019	14/04/2020	$0.11	2,000,000

During the year the following options were issued:

Grant Date	Date of Expiry	Exercise Price	No.
17/06/2020	17/12/2023	$0.06	40,000,000

There were no options exercised during the year.

Option holders do not have any rights to participate in any issues of shares or other interests of the company or any other entity.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Information Relating to Current Directors and Company Officers

Norman Li	**–**	**Non-Executive Chairman**
Experience	–	Board member since 1 November 2018
Interest in Shares and Options	–	250,518,519 ordinary shares (directly and indirectly held) and 190,000,000 performance shares in The Food Revolution Group Limited
Special Responsibilities	–	Strategic direction regarding Chinese market and operational leadership
Directorships held in other listed entities during the three years prior to the current year	–	None

Matthew Bailey	**–**	**Non- Executive Director**
Experience	–	Board member since 11 February 2016
Interest in Shares and Options	–	48,190,000 ordinary shares (directly and indirectly held) in The Food Revolution Group Limited
Special Responsibilities	–	Sales and Marketing leadership
Directorships held in other listed entities during the three years prior to the current year	–	None
Norman Rong	**–**	**Non- Executive Director**
Experience	–	Board member since 11 February 2016
Interest in Shares and Options	–	Nil
Special Responsibilities	–	China market growth
Directorships held in other listed entities during the three years prior to the current year	–	None
Tony Rowlinson	**–**	**Chief Executive Officer and Managing Director**
Experience	–	Board Member since 27 August 2020
Interest in Shares and Options	–	500,000 ordinary shares and 40,000,000 options in The Food Revolution Group Limited
Special Responsibilities	–	None
Directorships held in other listed entities during the three years prior to the current year	–	None
Daniela Stojanoska	**–**	**Finance Manager and Company Secretary**
Experience	–	Company Secretary since 21 October 2019
Interest in Shares and Options	–	Nil
Special Responsibilities	–	Finance Manager
Directorships held in other listed entities during the three years prior to the current year	–	None

Meetings of Directors
During the financial year, 6 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Norman Li	6	6
Matthey Bailey	6	6
John Florey (2)	5	5
Norman Rong	6	4
Joe Zhou (3)	6	6
Tony Rowlinson (1)	1	1

Notes:
1. Appointed 14 April 2020
2. Resigned 14 April 2020
3. Resigned 29 June 2020

At this time there are no separate Board committees as all matters usually delegated to such committees are addressed by the Board as a whole.

REMUNERATION REPORT

Remuneration Policy
The remuneration policy of The Food Revolution Group Limited (**FOD or the Company**) has been designed to align key management personnel (**KMP**) objectives with shareholder and business objectives by providing a fixed remuneration component and having regard to the current incentive to achieve revenue and earnings milestones pursuant to the performance shares issued to KMP as part of the acquisition of Langtech International Pty Ltd (**Langtech**) by the Company. The Board has also established an employee share option plan (**ESOP**) as part of the reverse takeover transaction in February 2016. The Board believes the current remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the consolidated 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 consolidated Group is as follows:

– 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 or services fee (which is based on factors such as length of service and experience), superannuation, and become eligible ESOP participants (subject to Board invitation).

– Other performance incentives (such as bonuses) are generally only paid once predetermined key performance indicators (KPIs) have been met.

– Incentives in the form of ESOP options are intended to align the interests of KMP and the Company with those of the shareholders.

– The remuneration committee reviews KMP packages annually by reference to the consolidated Group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on performance of the Group versus budget together with individual performance. All bonuses and incentives must be linked to predetermined 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 a superannuation guarantee contribution required by the government, which is currently 9.5% of the individual's average weekly ordinary time earnings (AWOTE).

Other than the entitlements provided under the Group's defined contribution superannuation arrangements, KMP do not receive any other retirement benefits.

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

The Board's policy is to remunerate KMP (including non-executive directors) at market rates for time, commitment and responsibilities. The board currently determines payments to KMP and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting.

Options granted under the ESOP do not carry dividend or voting rights. The board is responsible for determining any conditions attaching to the options (including issue price, exercise price, vesting conditions, and conditions of exercise).

Engagement of Remuneration Consultants
The board did not engage any remuneration consultants during the financial year. The board will consider the appropriateness of appointing a remuneration consultant during FY21 to review the elements of KMP remuneration and to provide appropriate recommendations.

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, in some instances, relevant industry standards.Performance in relation to the KPIs is assessed annually, with any KPI related bonuses being awarded based on achievement of the relevant KPIs (see below for further information regarding cash bonuses). Following the assessment, the KPIs are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, The Food Revolution Group Limited bases the assessment on audited figures and quantitative and qualitative data.

Relationship between Remuneration Policy and Company Performance
The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on KPIs, and the second being the establishment of an ESOP (under which KMP are eligible participants, subject to Board invitation) to encourage the alignment of personal and shareholder interests.

The Board is of the opinion that the above remuneration policy will enhance company performance going forward.

The Board has decided to increase and maintain promotional activity among analysts so as to increase investor awareness of the company and to stabilise the company's share price in line with a consistent and stable financial position.

Performance Conditions Linked to Remuneration
The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of cash bonus reward schemes, in particular the incorporation of incentive payments based on the achievement of Group budgets. The Group does not currently have any cash bonus rewards schemes tied to the company's share price, preferring at this stage to align such cash bonus rewards to operational performance.

The objective of the reward schemes is to both reinforce the short and long-term goals of the Group and provide a common interest between management and shareholders.

The satisfaction of the KPIs is based on a review of the audited financial statements of the Group.

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the consolidated Group. The table also illustrates the proportion of remuneration that was performance and non-performance based, having regard to the existing performance shares issued to KMP together with the current shareholdings of KMP (see notes 1 to 5 below for further detail).

Group KMP	Position Held as at 30 June 2020 and any Change during the Year	Contract Details (Duration and Termination)	Proportions of Elements of Remuneration Related to Performance (Other than Options Issued)		Proportions of Elements of Remuneration Not Related to Performance
			Non-salary Cash-based Incentives	Shares/ Units	Fixed Salary/ Fees
			%	%	%
Norman Li	Chairman since Nov 01, 2018 (1)	Appointment deed	-	-	-
John Florey	Resigned as CEO Managing Director on 14 April 2020 (2)	Employment contract	-	-	100
Tony Rowlinson	CEO and Managing Director since 14 April 2020 (3)	Employment contract	-	-	100
Tony Rowlinson	Non-Executive Director (4)	Appointment deed	-	-	100
Norman Rong	Non-Executive Director (5)	Appointment deed	-	-	-
Joe Zhou	Resigned as a Director on 29 June 2020 (6)	Employment contract	-	-	100
John Fitzgerald	Resigned as CFO on 21 October 2019 (7)	Employment contract	-	-	100

REMUNERATION REPORT

Notes:

1. Mr. Li holds 190 million performance shares in the Company. While these performance shares do not form part of Mr. Li's remuneration (rather they were issued to Mr. Li as part of his Share Subscription Deed), these performance shares only convert to ordinary shares in FOD upon the achievement of certain revenue milestones.

2. The employment contract for Mr. Florey was terminated on the 14 April 2020.

3. The employment contract for Mr. Rowlinson is for an unspecified term. The company may terminate the employment contract by giving 6 months written notice and Mr. Rowlinson may resign from the company in giving 3 months written notice. Mr Rowlinson is granted with 40 million options, 20 million of which are based on Sales and Profit targets, each for one ordinary share at an exercise price of 6 cents.

4. Mr. Bailey represents Food Innovators Pty. Ltd. (FI), a substantial shareholder of FOD. As representative of one of the Company's largest shareholders, the Board believes Mr. Bailey has adequate performance incentives by virtue of FI's shareholding.

5. Mr. Rong represents Shenzhen Youngheng Biotechnology Co. Ltd., a shareholder of FOD.

6. The employment contract for Mr. Zhou is for an unspecified term. It can be terminated by either party with 3 months' notice.

7. The employment contract for Mr. Fitzgerald was terminated on 21 October 2019.

The employment terms and conditions of all KMP are formalised in contracts of employment, director appointment deeds or services contracts (as the case may be).

Terms of employment generally requires that KMP's are provided with a minimum of 1 months' notice (and up to 6 months' notice) prior to termination of such person's contract. KMP who are directors cannot be terminated by the company, other than in accordance with the Corporations Act 2001 (Cth). Termination payments are not payable on resignation or termination, with the exception of Mr. Florey and Mr. Rowlinson, who are entitled to termination payment of 6 months' salary.

Remuneration Expense Details for the Year Ended 30 June 2020

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated Group. Such amounts have been calculated in accordance with Australian Accounting Standards.

Table of Benefits and Payments for the Year Ended 30 June 2020

		Short-term Benefits Profit				Post-employment Benefits		Long-term Benefits		Equity-settled Share-based Payments(2)(3)		Cash-settled Share-based Payments	Termination Benefits	Total
		Salary, Fees and Leave	Profit Share and Bonuses	Non-monetary	Other	Super-annuation	Other	Incentive Plans	LSL	Shares/ Units	Options/ Rights			
		$	$	$	$	$	$	$	$	$	$	$	$	$
Group KMP														
Tony Rowlinson	2019	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020	71,136	50,000	-	-	6,045	-	-	-	-	550,665	-	-	677,846
Matthew Bailey	2019	25,000	-	-	-	-	-	-	-	-	-	-	-	25,000
	2020	25,000	-	-	-	-	-	-	-	-	-	-	-	25,000
Norman Rong	2019	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-	-	-	-	-	-	-
Joe Zhou	2019	49,507	-	-	-	4,026	-	-	-	-	-	-	-	53,533
	2020	182,648	-	-	-	17,352	-	-	-	-	-	-	-	200,000
Norman Li	2019	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-	-		-	-	-	-
John Fitzgerald	2019	155,000	-	-	-	25,000	-	-	-	-	-	-	-	180,000
	2020	90,113	-	-	-	6,298	-	-	-	-	-	-	-	96,411
John Florey	2019	370,000	-	-	-	26,124	-	-	-	-	90,561	-	-	486,685
	2020	295,417	-	-	-	28,065	-	-	-	-	126,785	-	18,027	468,294
Total KMP	2019	599,507	-	-	-	55,150	-	-	-	-	90,561	-	-	745,218
	2020	664,314	50,000	-	-	57,760	-	-	-	-	677,450	-	18,027	1,467,551

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 – Ordinary shares

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

	Balance at Beginning of Year	Issued during the Year	Released from Escrow during the Year	Other Changes during the Year	Balance at End of Year
Matthew Bailey (1)	47,990,000	-	-	200,000	48,190,000
Norman Rong	-	-	-	-	-
Norman Li (1)	165,000,000	100,000,000	-	(14,481,482)	250,518,518
John Florey (2)	590,000	-	-	-	590,000
Joe Zhou	-	-	-	-	-
Tony Rowlinson	-	-	-	500,000	500,000
	213,580,000	100,000,000	-	(13,781,482)	299,798,518

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

	Balance at Beginning of Year	Lapsed during the Year	Issued during the Year	Other Changes during the Year	Balance at End of Year
Matthew Bailey (1)	-	-	-	-	-
Norman Rong	-	-	-	-	-
Norman Li (1)	190,000,000	-	-	-	190,000,000
John Florey	-	-	-	-	-
Joe Zhou	-	-	-	-	-
	190,000,000	-	-	-	190,000,000

Note:

1. Includes shares held by related parties of Mr Li and Mr Bailey
2. Resigned as CEO on 14 April 2020

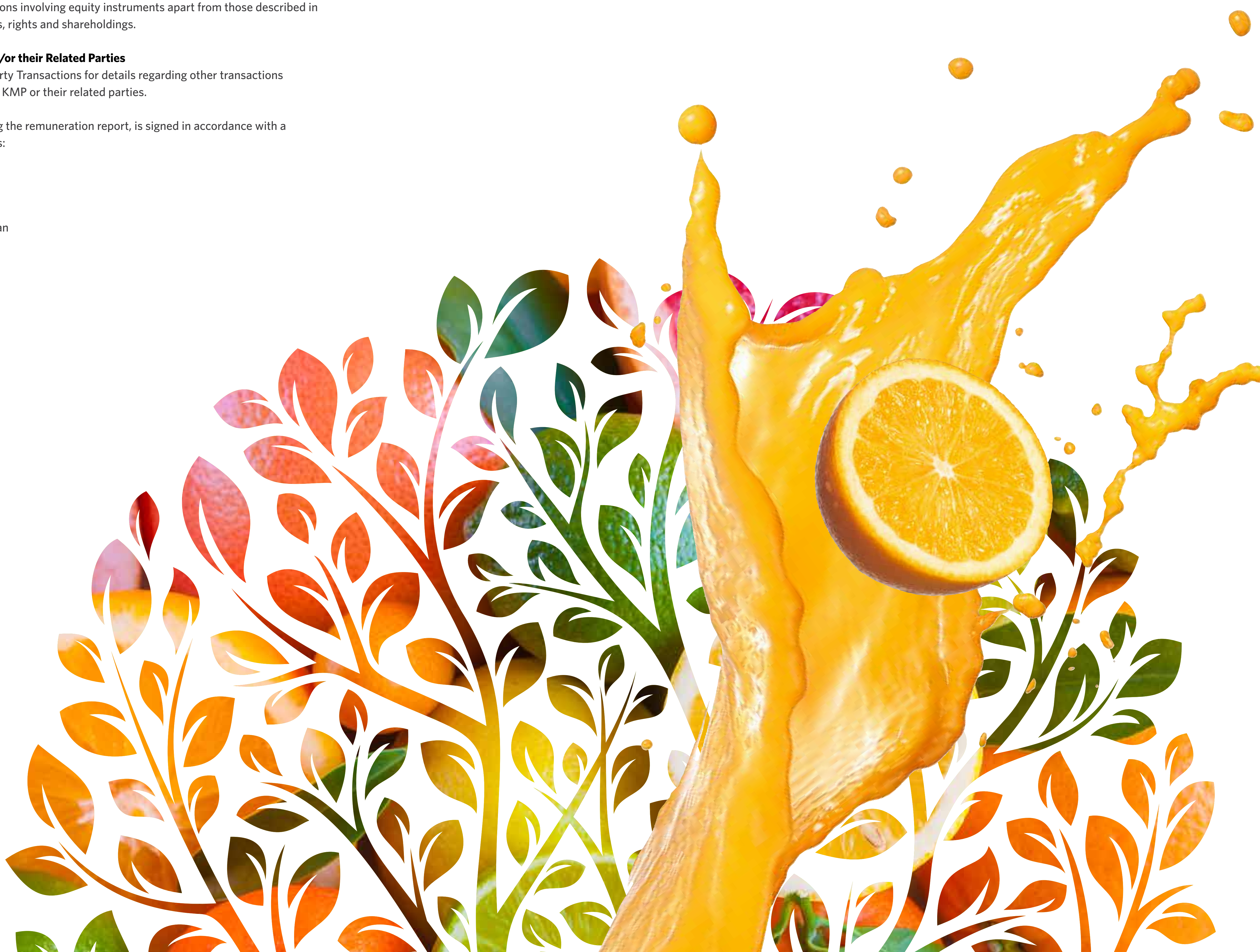
Other Equity-related KMP Transactions
There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

Other Transactions with KMP and/or their Related Parties
Please refer to Note 24: Related Party Transactions for details regarding other transactions conducted between the Group and KMP or their related parties.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors:

Norman Li, Non-Executive Chairman

Dated: 30 September 2020



HALL CHADWICK (NSW)

THE FOOD REVOLUTION GROUP LIMITED
ABN 20 150 015 446
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE FOOD REVOLUTION GROUP LIMITED

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of The Food Revolution Group Limited. As the lead audit partner for the audit of the financial report of The Food Revolution Group Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

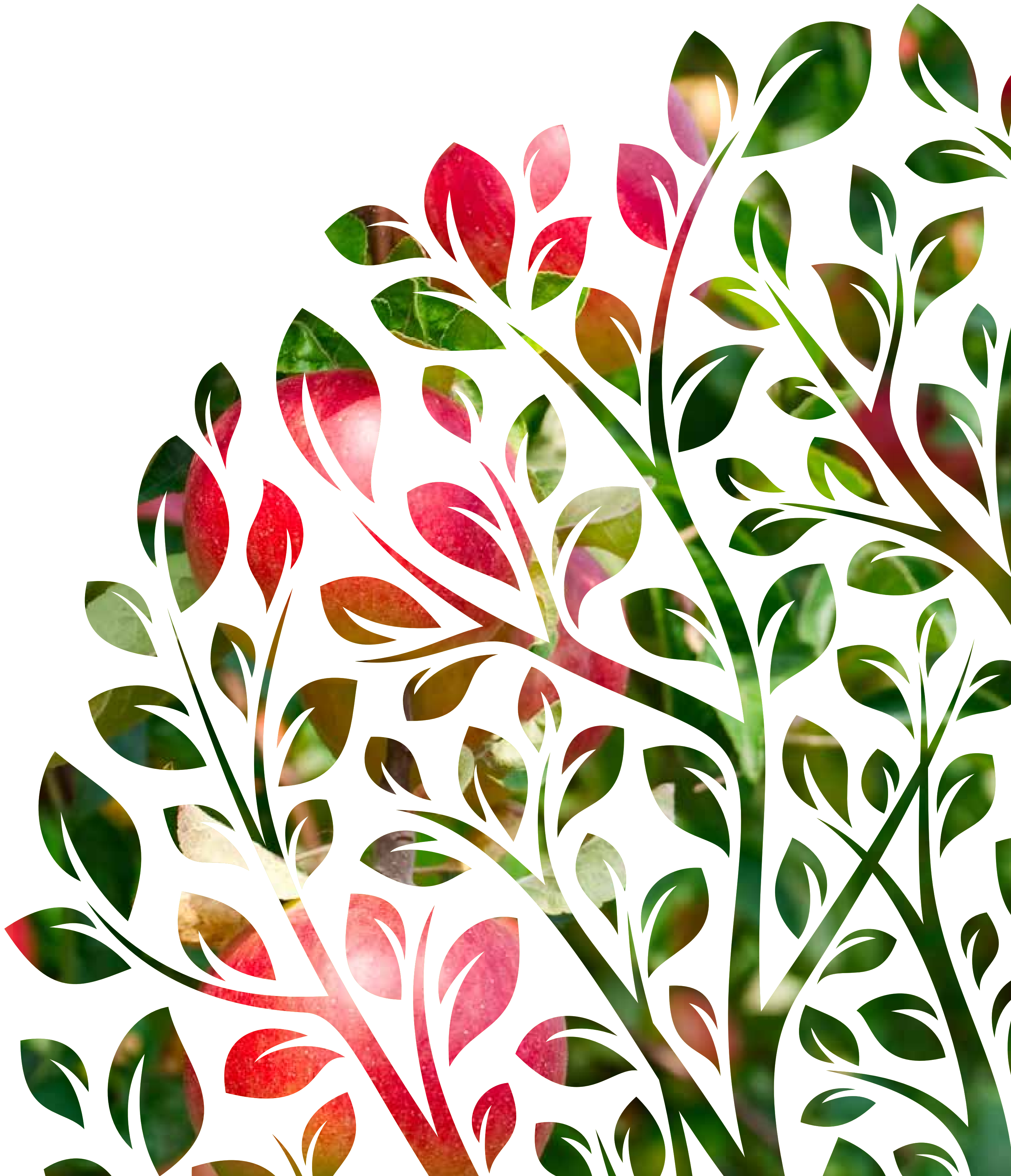
(ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 30 September 2020

STATEMENT OF PROFIT OR LOSS OR OTHER COMPREHENSIVE INCOME



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated Group	
		2020	2019
		$	$
Net Revenue	3	**34,813,988**	**29,271,328**
Cost of sales		(29,730,830)	(20,814,612)
Gross profit		**5,083,158**	**8,456,627**
Other income	3	1,055,596	1,828,301
Employment costs	4	(4,442,660)	(4,497,238)
Administration expenses		(1,065,152)	(2,330,218)
Marketing costs		(1,695,133)	(1,214,231)
Operating costs		(3,161,874)	(7,473,458)
Depreciation, amortisation and write-offs	4	(2,699,289)	(2,051,500)
Finance costs	4	(1,295,588)	(840,391)
RTO related transaction costs		(90,754)	(143,523)
Impairment on non-financial assets	12	(734,513)	(3,470,131)
Impairment on financial assets	9	268,943	(2,622,197)
Share-based payments		(677,450)	(90,561)
Loss before income tax		(9,454,716)	(14,449,431)
Income tax expense	19	(158,445)	(1,303,270)
Loss for the year		(9,613,161)	(15,752,701)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Gain on revaluation of plant and equipment, net of tax		158,445	264,075
Other comprehensive income for the year		158,445	264,075
Total comprehensive income for the year		(9,454,716)	(15,488,626)
Basic and diluted earnings per share (cents)			
- Basic and diluted (loss) earnings per share in cents	7	(1.49)	(3.25)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Consolidated Group 2020 $	Consolidated Group 2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,937,212	3,045,578
Trade and other receivables	9	1,963,518	3,408,244
Inventories	10	3,481,746	2,615,521
Other assets	13	129,456	87,825
TOTAL CURRENT ASSETS		8,511,932	9,157,168
NON-CURRENT ASSETS			
Plant and equipment	11	16,230,549	17,089,474
Intangible assets	12	6,651,782	5,970,023
Right-of-use assets	18	6,945,259	-
Deferred tax assets	19	4,005,705	2,649,897
TOTAL NON-CURRENT ASSETS		33,833,295	25,709,394
TOTAL ASSETS		42,345,227	34,866,562
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	12,168,843	9,941,665
Provisions	16	338,144	896,900
Borrowings	17	7,583,762	7,571,433
Lease liabilities	18	329,849	-
TOTAL CURRENT LIABILITIES		20,420,598	18,409,998
NON-CURRENT LIABILITIES			
Provisions	16	55,480	34,173
Deferred tax liabilities	19	4,005,705	2,649,895
Lease liabilities	18	7,683,860	-
TOTAL NON-CURRENT LIABILITIES		11,745,045	2,684,068
TOTAL LIABILITIES		32,165,643	21,094,066
NET ASSETS		10,179,584	13,772,496
EQUITY			
Issued capital	20	46,802,075	41,402,075
Options reserve	26	550,665	90,561
Revaluation reserve	26	8,912,203	8,753,758
Accumulated losses		(46,085,359)	(36,473,898)
TOTAL EQUITY		10,179,584	13,772,496

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital (Ordinary Shares) $	Accumulated Losses $	Revaluation Reserve $	Options Reserve $	Total $
Balance at 1 July 2018	31,938,197	(20,971,165)	8,489,683	526,252	19,982,967
Comprehensive income					
Profit for the year	-	(15,752,701)	-	-	(15,752,204)
Other comprehensive income for the year	-	-	264,075	-	264,075
Total comprehensive income for the year	-	(15,752,701)	264,075	-	(15,488,129)
Total transactions with owners, and other transfers	9,463,878	249,968	-	(435,691)	9,278,155
Balance at 30 June 2019	41,402,075	(36,473,898)	8,753,758	90,561	13,772,496
Balance at 1 July 2019	41,402,075	(36,473,898)	8,753,758	90,561	13,772,496
Cumulative adjustment upon adoption of new accounting standard – AASB 16	-	(215,646)	-	-	(215,646)
Balance at 1 July 2019 restated	41,402,075	(36,689,544)	8,753,758	90,561	13,556,850
Comprehensive income					
Loss for the year	-	(9,613,161)	-	-	(9,613,161)
Other comprehensive income for the year	-	-	158,445	-	158,445
Total comprehensive income for the year	-	(9,613,161)	158,445	-	(9,454,716)
Transactions with owners, and other transfers					
Issuance of shares	5,400,000	-	-	-	5,400,000
Transfer from options reserve on expiry of options	-	217,346	-	(217,346)	-
Share-based payments transaction	-	-	-	677,450	677,450
Total transactions with owners, and other transfers	5,400,000	217,346	-	460,104	6,077,450
Balance at 30 June 2020	46,802,075	(46,085,359)	8,912,203	550,665	10,179,584

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated Group	
		2020	2019
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		37,572,831	29,962,379
Payments to suppliers and employees		(38,878,336)	(31,064,294)
Interest received		10,422	12,226
Finance costs		(714,814)	(840,391)
Net cash provided by operating activities	8a	(2,009,897)	(1,930,080)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for intangible assets		(1,600,765)	(1,097,358)
Proceeds from sale of plant and equipment		-	8,000
Payment for plant and equipment		(1,045,623)	(1,559,918)
Net cash (used in) investing activities		(2,646,388)	(2,649,276)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		26,606,575	21,772,661
Repayment of borrowings		(26,594,246)	(25,191,796)
Proceeds from issuance of shares, net of transaction costs		5,400,000	9,187,594
Payment of lease liabilities		(864,410)	-
Net cash provided by financing activities		4,547,919	5,768,459
Net (decrease) increase in cash held		(108,366)	1,189,103
Cash and cash equivalents at beginning of financial year		3,045,578	1,856,475
Cash and cash equivalents at end of financial year	8	2,937,212	3,045,578

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These consolidated financial statements and notes represent those of The Food Revolution Group Limited and Controlled Entities (the "consolidated group" or "group"). The separate financial statements of the parent entity, The Food Revolution Group Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 30 September 2020 by the directors of the Company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

The financial statements have been prepared on the going concern basis, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As at 30 June 2020, the Group had a net current liability position of $11,908,666 and for the year ended 30 June 2020, the Group incurred a loss after tax of $9,613,161 and had a cash flow deficit from operating activities of $2,009,897.

The directors believe that the Group will be able to pay its debts as and when they become due and payable. In reaching this conclusion the directors have had regard to the Group having available cash reserves to meet expected operating, investing, and financing costs in the next twelve months based on internal financial modelling. In particular, the directors have regard to the trading results of the company for July and August 2020 which show above budget performance.

The Group has sufficient credit facilities together with the capital it has raised and plans to raise as outlined below.

In September 2018, a binding share subscription deed was signed with Careline Australia Pty Ltd (Careline). Pursuant to the subscription deed, Careline and/ or its nominees will invest up to $20.25 million via the issue of 375 million ordinary shares at an issue price of $0.054 per share in five tranches. The group had received the first four tranches of investments amounting to $14.31 million in September 2018 to September 2019 and is expecting to receive the final tranche of $5.94 million. Due to the Coronavirus and related shutdowns in China, Careline is unable to transfer funds to Australia in a timely manner and had sought an extension of time to make the payment of this final tranche by requesting a waiver from the ASX in this respect. The ASX declined to grant the waiver and the company will now move to a further shareholder approval at the 2020 AGM.

The company proposes to enter into an agreement with Careline Australia Pty Ltd (Careline) (a company owned and controlled by the Chairman) for Careline to procure investment for the final tranche of $5.94 million. This agreement will require shareholder approval at the company's forthcoming AGM.

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (The Food Revolution Group Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 14.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

b. Income Tax

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. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income 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.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

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.

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.

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: (i) a legally enforceable right of set-off exists; and (ii) 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.

The Food Revolution Group Limited (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to member of the tax consolidated group.

c. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d. Plant and Equipment

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 carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated impairment losses and accumulated depreciation for plant and equipment.

Increases in the carrying amount arising on revaluation of plant and equipment are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Office equipment

Office 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 office 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 either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

The carrying amount of office 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.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value 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 Asset	Depreciation Rate
Plant and equipment	15 years (Straight line method)
Office equipment	3 years (Straight line method)

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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Inventories

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. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

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f. Lease

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 are recognised by the group where the group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses 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 the 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.

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 the 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, any lease payments made at or before the commencement date and 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 to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

g. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition. A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;

– the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

– it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

– it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;

– it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one- time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

– the right to receive cash flows from the asset has expired or been transferred;

– all risk and rewards of ownership of the asset have been substantially transferred; and

– the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Impairment
The Group recognises a loss allowance for expected credit losses on:

– financial assets that are measured at amortised cost or fair value through other comprehensive income;

– lease receivables;

– contract assets (eg amounts due from customers under construction contracts);

– loan commitments that are not measured at fair value through profit or loss; and

– financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

– financial assets measured at fair value through profit or loss; or

– equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

– the general approach

– the simplified approach

General approach
Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or

there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach
The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and

- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements
At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

h. Impairment of Assets
At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre- acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's

carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

I. Intangibles Other than Goodwill
Brand names
Brand names have been recognised at cost and are treated as having an indefinite useful life. The brand names relate to established products with strong market penetration into Australian markets. The brand names operate in a stable industry with a strong positioning in the functional beverage market. The brand names are not amortised, instead brand names are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Intellectual property
Intellectual property is recognised at cost of acquisition when incurred. Intellectual property has a useful life of 20 years and is carried at cost less any accumulated amortisation and impairment losses. Intellectual property is amortised over the life of the patents they relate to.

Research and development
Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

j. Foreign Currency Transactions and Balances
Functional and presentation currency
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

j. Foreign Currency Transactions and Balances

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

k. Employee Benefits

Short-term employee benefits

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.

Other long-term employee benefits

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 re-measurements 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.

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

l. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short- term highly liquid investments with original maturities of 3 months or less.

n. Revenue and Other Income

Revenue recognition

Sale of branded products

The Group manufactures a range of functional juices, fibres, infused fruits and fruit waters for sale as branded products to wholesalers and retailers. Revenue is recognised when control of the products has transferred to the customer. For such transactions, this is when the products are delivered to the customers. Discounts can be provided with the sale of these items, depending on the volume of aggregate sales made to certain eligible customers. Revenue from these sales is based on the price stipulated in the contract, net of the estimated discounts. The discounts are estimated using historical experience and applying the expected value method. Revenue is then only recognised to the extent that there is a high probability that a significant reversal of revenue will not occur.

Where there are expected discounts payable to customers for sales made until the end of the reporting period, a contract liability is recognised.

A receivable is recognised when the goods are delivered. The Group's right to consideration is deemed unconditional at this time, as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales (which include those with discounts) are made within a credit term of 30 to 60 days.

Co-packaging and logistic services
The Group provides co-packaging and logistic services to customers and manages the internal supply chain in distributing manufactured products. In relation to the co-packaging and logistic transportation services to customers, revenue is recognised at the point of time when the service is provided. On average, the performance obligation service is provided within 30 to 60 days.

Other income
Interest revenue is recognised using the effective interest method. All revenue is stated net of the amount of goods and services tax.

o. Trade and Other Receivables
Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for loss allowance. Refer to Note 1(g) for further discussion on the determination of impairment losses.

p. Trade and Other Payables
Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

q. Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

r. Government Grants
Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income (or where there was increased expenditure as a result of the grant, are credited to the appropriate expense item) over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to the assets at fair value.

s. Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

t. Critical Accounting Estimates and Judgements
The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Key estimates
(i) Impairment – general
The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. Refer to Note 12(b) for further details regarding management's impairment assessment. The provision for impairment of brands was assessed to be $500,000 as at 30 June 2020.

Key judgements
(i) Provision for loss allowance of receivables
The provision for loss allowance of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by considering the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates. The loss allowance of trade and other receivables was assessed to be a reversal of $268,943 as at 30 June 2020.

(ii) Recoverability of deferred tax assets
Deferred tax assets are recognised for deductible temporary difference and unused tax losses as management considers that it is probable that future taxable profits will be available to utilise those temporary differences and unused tax losses. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits which may lead to impairment of the deferred tax asset.

(iii) Valuation of plant and equipment
Critical judgements are made by the group in respect of the fair value of plant and equipment. The fair value of plant and equipment is reviewed by management with reference to market value as determined by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the category of plant and equipment being valued. The market value is the amount in which an asset should exchange at the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The valuation also assumes the assets will be sold by way of a private treaty sale and remain in its current location after the sale.

u. New and Amended Accounting Policies Adopted by the Group
Initial application of AASB 16
The Group has adopted AASB 16 Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

The Group has recognised a lease liability and right-of-use asset for all leases (with the exception for short term and low value leases) recognised as operating leases under AASB 117 Leases where the Group is the lessee.

There has been no significant change from prior year treatment for leases where the Group is a lessor.

The lease liabilities are measured at the present value of the remaining lease payments. The Group's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right of use assets for a manufacturing equipment was measured at its carrying amount as if AASB 16: Leases had been applied since the commencement date, but discounted using the Group's weighted average incremental borrowing rate on 1 July 2019.

The right of use assets for the remaining leases were measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability, prepaid- and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by the Group in applying AASB 16 for the first time:

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied.
- leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same was as short-term leases
- The use of hindsight to determine lease terms on contracts that have options to extend or terminate
- applying AASB 16 to leases previously identified as leases under AASB 117: Leases and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

Adjustments recognised in the balance sheet on 1 July 2019
The following summary indicates the adjustments and reclassifications of financial statement line item in the balance sheet due to implementation of AASB 16:

Category	Carrying amount under AASB 117	Reclassification	Carrying amount under AASB 16
	$	$	$
Right of use assets	-	7,275,662	7,275,662
Lease liabilities	-	(8,017,500)	(8,017,500)
Provisions	(931,073)	526,192	(404,881)
Accumulated losses	36,473,898	215,646	36,689,544

Measurement of lease liabilities

	$
Operating lease commitments disclosed as at 30 June 2019	13,632,584
Discounted using the lessee's incremental borrowing rate at the date of initial application	(4,916,851)
Add: Adjustments as a result of a different treatment of extension and termination option	(698,233)
Lease liabilities recognised as at 1 July 2019	8,017,500

Measurement of right-of-use assets
The associated right of use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

NOTE 2: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2020	2019
	$	$
Statement of Financial Position		
ASSETS		
Current assets	1,247,622	3,080,137
Non-current assets	37,593,387	30,016,025
TOTAL ASSETS	38,841,009	33,096,163
LIABILITIES		
Current liabilities	11,415,566	9,326,590
Non-current liabilities	-	-
TOTAL LIABILITIES	11,415,566	9,326,590
EQUITY		
Issued capital	46,802,075	41,402,075
Accumulated losses	(19,927,297)	(17,723,064)
Option reserve	550,665	90,561
TOTAL EQUITY	27,425,443	23,769,572
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	(2,204,233)	(1,858,775)
Total comprehensive income	(2,204,233)	(1,858,775)

Guarantees
The company has a bank guarantee of $590,589 (2019: $590,589) as security bond for the office lease.

Contingent liabilities
There are no contingent liabilities as at 30 June 2020 and 30 June 2019.

Contractual capital commitments
There are no contingent capital commitments as at 30 June 2020 and 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3: REVENUE AND OTHER INCOME

	Consolidated Group	
	2020	2019
	$	$
Gross sales	42,230,175	32,047,013
- Less volume rebates and trading terms	(7,416,187)	(2,775,774)
Revenue	34,813,988	29,271,238
Other income:		
- Research and development funding	-	161,114
- Rent income	1,041,174	1,207,061
- Interest income	10,422	12,226
- Sundry income	4,000	447,900
Total other income	1,055,596	1,828,301
Total revenue and other income	35,869,584	31,099,539

NOTE 4: EXPENSES

	Consolidated Group	
	2020	2019
	$	$
Loss before income tax includes the following specific expenses:		
a. Employment costs		
- wages and salaries	3,667,243	4,044,917
- other employee related expenses	775,417	452,321
	4,442,660	4,497,238
b. Depreciation, amortisation and write-offs		
- depreciation and write-offs	2,472,224	1,828,686
- amortisation expenses	227,065	222,814
	2,699,289	2,051,500
c. Finance costs		
- Interest expenses	679,571	805,885
- other finance charges	35,243	34,506
- Interest expense on lease liabilities	580,774	-
	1,295,588	840,391

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2020.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2020	2019
	$	$
Short-term employee benefits	714,314	971,021
Post-employment benefits	57,760	85,403
Other long-term benefits	-	58,653
Share-based payments	677,450	90,561
Other benefits	18,027	-
- Total KMP compensation	1,467,551	1,205,638

Short-term employee benefits
These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits
These amounts are the current-year's estimated costs of providing for the Group's superannuation contributions made during the year.

Other long-term benefits
These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Further information in relation to KMP remuneration can be found in the directors' report.

NOTE 6: AUDITOR'S REMUNERATION

	Consolidated Group	
	2020	2019
	$	$
Remuneration of the auditor for:		
– audit and review of the financial statements	72,000	71,000
– advisory services	-	5,000
	72,000	76,000

NOTE 7: EARNINGS PER SHARE

		Consolidated Group	
		2020	2019
		$	$
	Basic and diluted loss per share		
a.	Loss attributable to the ordinary equity holders of the Company	(9,613,161)	(15,752,701)
		No.	No.
b.	Weighted average number of shares used as the denominator		
	Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	643,030,690	484,298,504

Earnings per share		
Earnings per share (cents) – basic and diluted	(1.49)	(3.25)

NOTE 8: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2020	2019
	$	$
Cash at bank and on hand	2,937,212	3,045,578
	2,937,212	3,045,578

a. Cash Flow Information

	Consolidated Group	
	2020	2019
	$	$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(9,613,161)	(15,752,701)
Depreciation, amortisation and write-offs	2,699,289	2,051,500
Gain on disposal of plant and equipment	-	(8,000)
Impairment of financial assets	(268,943)	2,622,197
Impairment of non-financial assets	734,513	3,470,131
Share-based payments	677,450	90,561
Interest on lease liabilities	580,774	-
Changes in operating assets and liabilities:		
- Trade and other receivables	1,713,669	(865,820)
- Trade and other payables	2,227,178	4,808,323
- Inventories	(866,225)	345,321
- Other assets	(41,631)	280,416
- Provisions	(11,257)	(114,997)
- Deferred tax assets/liabilities	158,447	1,142,989
	(2,009,897)	(1,930,080)

NOTE 9: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2020	2019
	$	$
CURRENT		
Trade receivables	3,654,650	5,327,008
Less: provision for impairment	(1,788,647)	(1,795,390)
	1,866,003	3,531,618
Other receivables	1,727,209	1,779,949
Less: provision for impairment	(1,629,694)	(1,903,323)
Total current trade and other receivables	1,963,518	3,408,244

a. Expected Credit Loss – Credit Impaired

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 loss allowance provision as at 30 June 2020 is determined as follows. These expected credit losses also incorporate forward-looking information.

	Current	>30 days past due	>60 days past due	>90 days past due	Total
Consolidated Group	$	$	$	$	$
2019					
Expected loss rate	0.18%	0.18%	15.95%	100.00%	
Trade receivables (gross)	2,428,325	534,818	682,698	1,681,167	5,327,008
Loss allowance provision	(4,371)	(963)	(108,889)	(1,681,167)	(1,795,390)
Total	2,423,954	533,855	573,809	-	3,531,618
2020					
Expected loss rate	0.18%	0.18%	15.95%	100.00%	
Trade receivables (gross)	1,485,802	245,512	163,957	1,759,379	3,654,650
Loss allowance provision	(2,675)	(442)	(26,151)	(1,759,379)	(1,788,647)
Total	1,483,127	245,070	137,806	-	1,866,003

b. Credit Risk

The Group has a significant concentration of credit risk arising from its ordinary course of business due to its relatively small customer base. The class of assets described as "trade and term receivables" is considered to be the main source of credit risk related to the Group.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables is 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 debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current and forecast directions of conditions at the reporting date.

There has been no change in the estimation techniques 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 (eg when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over one year past due, whichever occurs earlier).

c. Collateral Pledged

Security over all of the Group's current and future assets (including receivables) has been provided to Greensill Capital UK Limited. Refer to Note 14b for further details.

d. Movements in Provision of Impairment

	Consolidated Group	
	2020	**2019**
	$	**$**
At the beginning of the reporting period	3,698,713	1,077,907
(Reversal of impairment losses)/ impairment losses recognised	(268,943)	2,622,197
Write-offs	(11,429)	(1,391)
At 30 June	3,418,341	3,698,713

NOTE 10: INVENTORIES

	Consolidated Group	
	2020	**2019**
	$	**$**
CURRENT		
At cost and net realisable value:		
Work in progress	574,165	872,802
Raw materials	2,161,065	1,506,344
Finished goods	746,516	236,375
	3,481,746	2,615,521

NOTE 11: PLANT AND EQUIPMENT

	Consolidated Group	
	2020	**2019**
	$	**$**
Plant and equipment – at fair value	20,628,696	19,615,371
Less: accumulated depreciation	(4,466,852)	(2,643,433)
	16,161,844	16,971,938
Office equipment – at cost	327,131	326,891
Less: accumulated depreciation	(258,426)	(209,355)
	68,705	117,536
TOTAL PLANT AND EQUIPMENT	16,230,549	17,089,474

a. Movements in Carrying Amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Office Equipment	Total
	$	$	$
Balance at 1 July 2018	17,247,589	110,653	17,358,242
Additions	1,484,782	75,136	1,559,918
Depreciation expense	(1,760,433)	(68,253)	(1,828,686)
Balance at 30 June 2019	16,971,938	117,536	17,089,474
Additions	1,045,383	240	1,045,623
Depreciation expense	(1,855,477)	(49,071)	(1,904,548)
Balance at 30 June 2020	**16,161,844**	**68,705**	**16,230,549**

b. Impairment Disclosures

Refer to Note 12b for details.

NOTE 12: INTANGIBLE ASSETS

	Consolidated Group	
	2020	2019
	$	$
Intellectual property – at cost	266,101	255,294
Less: amortisation	(195,195)	(191,738)
	70,906	63,556
Product development costs – at cost	2,371,781	1,781,823
Less: amortisation	(450,473)	(269,437)
Less: impairment	(958,793)	(724,280)
	962,515	788,106
Brand names – at cost	7,914,998	6,914,998
Less: Impairment	(2,297,732)	(1,797,732)
	5,617,266	5,117,266
Other intangible assets	1,095	1,095
TOTAL INTANGIBLE ASSETS	6,651,782	5,970,023

a. Movements in Carrying Amounts

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

	Goodwill	Goodwill Brand	Intellectual property	Product development costs	Other intangible assets	Total
Consolidated Group:	$	$	$	$	$	$
Balance at 1 July 2018	**702,268**	**6,914,998**	**57,219**	**1,193,268**	**1,095**	**8,868,848**
Additions	-	-	21,334	1,076,024	-	1,097,358
Amortisation charge	-	-	(14,997)	(207,817)	-	(222,814)
R&D tax offset	-	-	-	(303,238)	-	(303,238)
Impairment charge	(702,268)	(1,797,732)	-	(970,131)	-	(3,470,131)
Balance at 30 June 2019	**-**	**5,117,266**	**63,556**	**788,106**	**1,095**	**5,970,023**
Additions	-	1,000,000	10,807	589,958	-	1,600,765
Amortisation charge	-	-	(3,457)	(181,036)	-	(184,493)
Impairment charge	-	(500,000)	-	(234,513)	-	(734,513)
Balance at 30 June 2020	**-**	**5,617,266**	**70,906**	**962,515**	**1,095**	**6,651,782**

b. Impairment Disclosures

The recoverable amounts of the consolidated entity's goodwill, brand and plant and equipment have been determined by a value-in-use calculation using a discounted cash flow model, based on a 12-month projection period approved by management and extrapolated for a further 4 years by using the key assumptions of business revenue and cost growth rates of 4% per annum and a discount rate of 12%.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive. Following a detailed value-in-use impairment review of future cash flow projections, an impairment charge of $500,000 was recorded in the statement of profit or loss for 30 June 2020. This impairment charge has been allocated to brand names.

The carrying value for 30 June 2020 impairment assessment has been based on the value-in-use calculation, any changes to the value-in-use calculation will have a direct impact on the carrying value and impairment.

NOTE 13: OTHER ASSETS

	Consolidated Group	
	2020	2019
	$	$
CURRENT		
Prepayments	129,456	87,825
	129,456	87,825

NOTE 14: INTERESTS IN SUBSIDIARIES

a. Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests	
		2020	2019	2020	2019
		%	%	%	%
LangTech International Pty Ltd	Australia	100	100	-	-
LangTech Citrus Pty Ltd	Australia	100	100	-	-
LangTech Bottling Pty Ltd	Australia	100	100	-	-
Thirsty Brothers Pty Ltd	Australia	100	100	-	-
New Age Beverages Pty Ltd	Australia	100	100	-	-
Allure Australia Pty Ltd *	Australia	100	-	-	-

* incorporated during the year.

b. Significant Restrictions

Other than the following, there are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group:

LangTech International Pty Ltd has entered into a working capital and term loan facility with Greensill Capital UK Limited (Greensill) as described in Note 17. The Facility was drawn down as to $7.6m as at the date of this report. The facility is secured by all of the Group's current and future assets via a security interest over personal property and via fixed and floating charge over all other property (including trade receivables, cash and cash equivalents). The facility contains detailed conditions precedent to draw down. The facility is financial covenant lite in that once the funds have been drawn under the facility, there is no periodic (eg quarterly) financial covenant testing. Covenants imposed by Greensill restrict asset disposals (other than with Greensill's consent, or in the ordinary course of business, or in other limited circumstances), acquisitions (other than with Greensill's consent or in other limited circumstances) and dividend payments (other than with Greensill's consent or in other limited circumstances).

NOTE 15: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2020	2019
	$	$
CURRENT		
Trade payables	8,780,947	4,524,150
Other payables and accruals	3,387,896	5,417,515
TOTAL TRADE AND OTHER PAYABLES	12,168,843	9,941,665

Trade payables are unsecured and are generally paid within 45 days (and up to 90 days) from date of invoice.

NOTE 16: PROVISIONS

	2020	2019
	$	$
CURRENT		
Employee benefits	338,144	896,900
NON-CURRENT		
Employee benefits	55,480	34,172
TOTAL PROVISIONS	393,624	1,046,070

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements, and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 17: BORROWINGS

	Consolidated Group	
	2020	2019
	$	$
CURRENT		
Secured liabilities:		
Loan – Greensill facility	7,583,762	7,571,433
Total borrowings	7,583,762	7,571,433

a. The carrying amounts of non-current assets pledged as security are subject to general security over all current and future assets amounting to $42,345,227 (2019: $34,866,562).

The revolving facility has no maturity, bear an interest rate of 7.25% per annum with interest payable every four months.

b. Collateral provided
Refer to Note 14b for a description of the security provided to Greensill Capital UK Limited.

NOTE 18: LEASES

a. Right-of-use assets

	2020	As at 1 July 2019
	$	$
Leased building	7,746,445	7,466,600
Accumulated depreciation	(1,119,990)	(622,217)
	6,626,455	6,844,383
Leased equipment	468,879	468,879
Accumulated depreciation	(150,075)	(37,600)
	318,804	431,279
Total right-of-use assets	6,945,259	7,275,662

b. Lease liabilities

Current	329,849	549,749
Non-current	7,683,860	7,467,751
	8,013,709	8,017,500

c. Movements in carrying amounts

	Leased building	Leased equipment	Total
	$	$	$
Recognised on initial application of AASB 16	6,844,383	431,279	7,275,662
Additions	279,845	-	279,845
Depreciation expense	(497,773)	(112,475)	(610,248)
Net carrying amount	6,626,455	318,804	6,945,259

NOTE 19: TAX

	Consolidated Group	
	2020	2019
	$	$
a. Amounts recognised in profit or loss:		
Deferred tax expense	158,445	1,613,800
Over provision in respect of prior years	-	(574,605)
Change in tax rate (1)		264,075
Total income tax expense	158,445	1,303,270

b. The prima facie tax on loss from ordinary activities before income tax, is reconciled to income tax as follows:

	2020	2019
Loss before tax	(9,454,356)	(14,449,431)
Prima facie tax expense on loss from ordinary activities before income tax at 27.5% (2019: 27.5%)	(2,599,948)	(3,973,594)
Tax effect of:		
- Non-allowable items	446,129	999,149
- Over provision in respect of prior years	-	(574,605)
- R&D income not assessable	-	(44,527)
- Change in tax rate item (1)		264,075
- Previously unrecognised deferred tax	158,445	-
- Deferred tax assets not recognised	2,153,819	1,641,689
- Write down to recoverable amounts	-	2,991,083
Prima facie tax expense on loss attributable to entity	158,445	1,303,270

[1] Relates to adjustment to prior year asset revaluation arising from a change in tax rates.

c. Deferred tax assets and liabilities

	Opening Balance	Recognised in profit or loss	Credited direct to equity	Closing Balance
	$	$	$	$
NON-CURRENT				
Consolidated Group				
Deferred tax liabilities				
Plant and equipment	(254,938)	(291,509)	-	(546,447)
Right-of-use assets	-	1,805,762	-	1,805,762
Tangible assets revaluation	2,904,835	-	(158,445)	2,746,390
Deferred tax assets	2,649,897	1,514,253	(158,445)	4,005,705
Lease liabilities	-	1,805,762	-	1,805,762
Carried forward tax offsets	1,077,425	628,949	-	1,706,374
Tax losses	1,572,470	(1,078,901)	-	493,569
	2,649,895	1,355,810	-	4,005,705

NOTE 20: ISSUED CAPITAL

	Consolidated Group	
	2020	2019
	$	$
100,000,000 (2019: 624,674,526) fully paid ordinary shares	46,802,075	41,402,075
	46,802,075	41,402,075

	Consolidated Group	
	2020	2019
	No.	$
a. Ordinary Shares		
As at 30 June 2018/ 30 June 2019	624,674,526	434,064,903
- Issue of shares – 1 July 2019	100,000,000	-
As at 30 June 2020	724,674,526	624,674,526

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

	Consolidated Group	
	2020	2019
	No.	No.
b. Performance Shares		
At the beginning of the reporting period	190,000,000	56,838,811
Issued during the year	-	190,000,000
Lapsed during the year (Performance Shares Class C)	-	(56,838,811)
At the end of the reporting period	190,000,000	190,000,000

As part of and in connection with the Strategic Investment, in addition to the 5 tranches of ordinary shares, Careline (or its nominees, the Trust and/or Y&L Investments) is to be issued 190,000,000 Performance Shares, for nil consideration, subject to FOD and Careline remaining parties to the SDD.

NOTE 20: ISSUED CAPITAL

b. Performance Shares

The performance share will be convertible into one ordinary share in the Company, for nil consideration, on the achievement of the following milestones:

- 100,000,000 of the Performance Shares will convert to 100,000,000 ordinary shares if FOD's Introduced Revenue (as defined below) is at least $60,000,000 in any consecutive 12-month period within the period from 1 July 2019 to 30 June 2022.
- a further 30,000,000 of the Performance Shares will convert to 30,000,000 ordinary shares if FOD's Introduced Revenue (as defined below) is at least $160,000,000 in any consecutive 12-month period within the period from 1 July 2019 to 30 June 2022.
- a further 30,000,000 of the Performance Shares will convert to 30,000,000 ordinary shares if FOD's Introduced Revenue (as defined below) is at least $315,000,000 in any consecutive 12-month period within the period from 1 July 2019 to 30 June 2023.
- a further 30,000,000 of the Performance Shares will convert to 30,000,000 ordinary shares if FOD's Introduced Revenue (as defined below) is at least $465,000,000 in any consecutive 12-month period within the period from 1 July 2019 to 5 years from the date of issue of the Performance Shares.

The Directors have assessed that the achievement on the milestones for the conversion to equity of the performance shares issued are unlikely to be achieved at 30 June 2020 and 30 June 2019, therefore no share-based payment expense has been recognised in the 2020 and 2019 year.

	Consolidated Group	
	2020	2019
	No.	No.
c. Performance Rights		
At the beginning of the reporting period	-	23,161,189
Lapsed during the year (Performance Rights Class C)	-	(23,161,189)
At the end of the reporting period	-	-

d. Options

For information relating to The Food Revolution Group employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at balance date, refer to Note 23.

e. Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues

The gearing ratios for the years ended 30 June 2019 and 30 June 2020 are as follows:

	Consolidated Group	
	2020	2019
	$	$
Total financial debt	7,583,762	7,571,433
Total lease liabilities	8,013,709	-
Less cash and cash equivalents	(2,937,212)	(3,045,578)
Net debt	12,660,259	4,525,855
Total equity	10,179,584	13,772,496
Total capital	22,839,843	18,298,351
Gearing ratio net debt / (net debt + equity)	55%	25%

NOTE 21: CAPITAL AND LEASING COMMITMENTS

	Consolidated Group	
	2020	2019*
	$	$
a. Operating Lease Commitments Non-cancellable operating lease commitments not capitalised in the financial statements Payable – minimum lease payments:		
- not later than 1 year	-	941,784
- later than 1 year but not later than 5 years	-	4,564,987
- later than 5 years	-	8,125,813
	-	13,632,584

* Operating lease commitments relate to the Group's Mill Park and Laverton facility leases, together with the lease of certain plant and equipment.

b. Capital Expenditure Commitments
There are no capital commitments as at 30 June 2020 and 30 June 2019.

NOTE 22: OPERATING SEGMENTS

General Information
Identification of reportable segments
The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Directors have considered the requirements of AASB 8 – Operating Segments and have concluded that at this time there are no separately identifiable reportable segments.

NOTE 23: SHARE-BASED PAYMENTS

(i) In June 2020, 40 million options at an exercise price of $0.06 per share were granted to Chief Executive Officer Tony Rowlinson as a share-based payment. The options will vest based on the following conditions:

- Tranche 1: 20 million options to be granted on the signing of this employment contract (each option is exercisable for one ordinary share).
- Tranche 2: 10 million options to be granted which vest on the delivery of sales target A in any individual financial year ending on or before 30 June 2023
- Tranche 3: 10 million options to be granted which vest on the delivery of earnings before interest and tax (EBITDA) in any individual year ending on or before 30 June 2023.

The fair value of these options granted amounting to $1,073,630 was determined using the Black-Scholes option pricing model that take into account the share price at grant date of $0.054; a risk-free rate of 0.26%; a dividend yield of nil and a volatility of 72%.

The total expense arising from the above share-based payment transaction recognised during the year was $550,665.

(ii) The Group established The Food Revolution Group Share Option Plan Scheme (approved by shareholders on 15 December 2016) (Plan) to provide incentives to the employees of the Company and to recognise their contribution to the Company's success. The Plan is limited to directors, senior-executives and full or part-time employees of the Company or a related body corporate of the Company. The Directors are considering adopting a plan on broadly similar terms for contractors.

Under the Plan, the Board may offer to eligible persons the opportunity to receive such number of Options in the Company as the Board may decide and on terms set out in the rules of the Plan. Options granted under the Plan will be offered to participants in the Plan on the basis of the Board's view of the contribution of the eligible person to the Company.

Options may be issued with performance conditions, as determined by the board, which are required to be met before the options vest (failing which the options lapse). Options may be issued for nil or nominal consideration, and with an expiry date and exercise price, as determined by the board.

There were no options issued under the Plan as at the date of this report.

NOTE 24: RELATED PARTY TRANSACTIONS

a. The Group's main related parties are as follows:

(i) Entities exercising control over the Group:

The ultimate parent entity that exercises control over the Group is The Food Revolution Group Limited, which is incorporated in Australia.

(ii) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5.

(iil) Other related parties:

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

b. Transactions with related parties:

A number of key management personnel, or their related parties, hold position in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transaction with non-key management personnel related companies on an arm's length basis.

All sanitiser related transactions that occurred between The Food Revolution Group and it's related party entities transpired in order for the Group to be able to successfully launch and sell it's range of hand sanitisers. The COVID-19 pandemic presented an opportunity for FOD to enter into a new market, and therefore it was decided by the Directors of the Board to utilise Non-Executive Chairman, Norman Li's, already established Careline brand.

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows.

	Consolidated Group	
	2020	2019
	$	$
Purchase of sanitiser materials and consumables from One A Group Pty Ltd	2,678,444	-
Payable at reporting date	1,383,358	-
Professional services and other related expenses rendered by Healthy Generation Pty Ltd	589,634	851,888
Payable at reporting date	112,827	452,083
Professional services and other related expenses rendered by Careline (Australia) Pty Ltd	579,727	-
Purchase of sanitizer materials and consumables from Careline (Australia) Pty Ltd	67,060	-
Payable at reporting date	221,489	-
Sale of goods and services including sanitizer, net of related expenses to Careline (Australia) Pty Ltd	5,014,254	-
Sale of juice, net of related expenses to Careline (Australia) Pty Ltd	17,450	-
Receivable at reporting date	-	-
Share service recharge to Healthy Generation Pty Ltd	746,818	-
Receivable at reporting date	77,535	-

One A Group Pty Ltd and Healthy Generation Pty Ltd are entities related to Matthew Bailey. Careline (Australia) Pty Ltd is an entity related to Norman Li.

All outstanding balance with these related parties are priced on an arm's length basis and are to be settled in cash within the standard credit terms. None of these balances is secured. No expense has been recognised in the current year or prior year for bad or doubt debts in respect of amounts owed by related parties. No guarantees have been given or received.

NOTE 25: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, is as follows:

	Note	Consolidated Group	
		2020	2019
		$	$
Financial assets			
Financial assets at amortised cost:			
– Cash and cash equivalents	8	2,937,212	3,045,578
– Trade and other receivables	9	1,963,518	3,408,244
Total financial assets		4,900,730	6,453,822
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	15	12,168,843	9,941,665
– borrowings	17	7,583,762	7,571,433
– lease liabilities	18	8,013,709	-
Total financial liabilities		27,766,314	17,513,098

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk and liquidity risk, and, to a lesser extent, market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), and ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The group has significant concentrations of credit risk arising from its ordinary course of business due to its relatively small customer base. Details are provided in Note 9.

Trade and other receivables that are neither past due nor impaired are detailed in Note 9.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liabilities and financial assets maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Consolidated Group	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Borrowings	7,583,762	7,571,433	-	-	-	-	7,583,762	7,571,433
Lease liabilities	329,849	-	2,404,454	-	5,279,406	-	8,013,709	-
Trade and other payables	12,168,843	9,941,665	-	-	-	-	12,168,843	9,941,665
Total expected outflows	20,082,454	17,513,098	2,404,454	-	5,279,406	-	27,766,314	17,513,098
Financial assets – cash flows realisable								
Cash and cash equivalents	2,937,212	3,045,578	-	-	-	-	2,937,212	3,045,578
Trade and other eceivables	1,963,518	3,408,244	-	-	-	-	1,963,518	3,408,244
Total anticipated inflows	4,900,730	6,453,822	-	-	-	-	4,900,730	6,453,822
Net (outflow)/ inflow on financial instruments	(15,181,724)	(11,059,276)	(2,404,454)	-	(5,279,406)	-	(22,865,584)	(11,059,276)

c. Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Group to interest rate risk are cash, cash equivalents and borrowings.

The Group's current borrowings are at fixed rates of interest.

(ii) Foreign exchange risk

The Group has exposure to movements in foreign currency exchange rates through purchases of ingredients (where those ingredients are not available in Australia).

The Food Revolutions Group Limited's functional currency is Australian dollars.

The Group imports a small amount of ingredients to meet demand (where those ingredients are not available in Australia), and accordingly has exposure to foreign currencies of those suppliers.

Given the Group's small foreign currency exposure, the Group does not currently hedge.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Exposure to overseas debtors to foreign exchange risk is minimal as these transactions are primarily denominated in Australian dollars.

The Group has no open foreign exchange forward contracts at the end of the reporting period relating to highly probable forecast transactions and recognised financial assets and financial liabilities.

(iii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or currency risk) for commodities.

The Group is exposed to commodity price risk through the purchase of fruit and other commodity ingredients, and the sale of commodity products (primarily concentrates). There were no hedges in place at the end of the reporting period.

d. Fair Values

The carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements are considered to approximate their fair values.

NOTE 26: RESERVES

a. Revaluation reserve

The revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

b. Options reserve

The option reserve records items recognised as expenses on valuation of employee share options.

	Consolidated Group	
	2020	2019
	$	$
Revaluation reserve		
Opening balance	8,753,758	8,489,683
Effect from change in tax rate	158,445	264,075
Closing balance	8,912,203	8,753,758
Options reserve		
Opening balance	90,561	526,252
Exercise of options	-	(276,284)
Lapsed of options – transferred to accumulated losses	(217,346)	(249,968)
Share-based payments expense	677,450	90,561
Closing balance	550,665	90,561

NOTE 27: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group has a bank guarantee of $590,589 (2019: $590,589) as security bond for the office lease.

At the date of this report, the Group is not aware of any reportable contingent liabilities as at 30 June 2020 and 30 June 2019.

NOTE 28: FAIR VALUE MEASUREMENTS

The Group subsequently measures some items of plant and equipment at fair value on a non-recurring basis

a. Valuation Techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach converts estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

b. Fair Value Hierarchy

	Fair Value Measurements at 30 June 2020 Using:		
	Quoted Prices in Active Markets for Identical Assets	Significant Observable Inputs Other than Level 1 Inputs	Significant Unobservable Inputs
	$	$	$
	(Level 1)	(Level 2)	(Level 3)
Plant and equipment – at revalued amounts	-	-	16,161,844
Total non-recurring fair value measurements	-	-	16,161,844

NOTE 29: FAIR VALUE MEASUREMENTS

c. Valuation Techniques Used to Determine Level 3 Fair Values

The fair value of plant and equipment is based on their market value as determined by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the category of plant and equipment being valued.

The market value is the amount in which an asset should exchange at the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The valuation also assumes the assets will be sold by way of a private treaty sale and remain in its current location after the sale.

d. Reconciliation of Recurring Level 3 Fair Value Measurements

	Plant and equipment
	$
Balance at the beginning of the period	16,971,938
Additions	1,013,325
Depreciation expense	(1,823,419)
	16,161,844

NOTE 30: EVENTS AFTER THE REPORTING PERIOD

- On 27 August 2020, Tony Rowlinson appointed as Managing Director.
- On 24 September 2020, Rocky Zou appointed as Director of the company.
- On 24 September 2020, the Eridani brand was launched and the company has secured $1m order to supply the Chinese market.

There are no other events that have occurred after the balance date that would have an effect on the group's financial statements other than those that are already reflected in the financial statements.

NOTE 31: COMPANY DETAILS

The registered office and principal place of business of the company is:

The Food Revolution Group Limited
20 Heaths Court
Mill Park VIC 3082

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of The Food Revolution Group Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 19 to 65, are in accordance with the Corporations Act 2001 and:

    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 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 2020 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 company will be able to pay its debts as and when they become due and payable; and

3. the directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Non-Executive Chairman
Norman Li

Dated this 30th day of September 2020

INDEPENDENT AUDITOR'S REPORT

THE FOOD REVOLUTION GROUP LIMITED
ABN 20 150 015 446
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE FOOD REVOLUTION GROUP LIMITED
AND ITS CONTROLLED ENTITIES

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

Opinion

We have audited the financial report of The Food Revolution Group Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other 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 consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

i. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis of Opinion

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

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss after tax of $9,613,161 during the year ended 30 June 2020 and, as of that date, the Group's current liabilities exceeded its current assets by $11,908,667. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate 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.

HALL CHADWICK (NSW)

THE FOOD REVOLUTION GROUP LIMITED
ABN 20 150 015 446
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE FOOD REVOLUTION GROUP LIMITED
AND ITS CONTROLLED ENTITIES

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2019. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Carrying value of non-current assets	
Refer to Note 11 Plant and equipment, Note 12 Intangible Assets and Note 1(t) Critical accounting estimates and judgements	
A substantial amount of the group's non-current assets relates to intangible assets amounting to $6,651,782 and plant and equipment amounting to $16,230,549 that are subject to an impairment assessment in accordance with AASB 136 "Impairment of Assets". The group's impairment assessment of intangible assets and plant and equipment is considered a key audit matter as the value in use model used to assess the recoverable amount is based on a number of assumptions including cash flow projections, discount rates and terminal growth rates which are affected by future events and economic conditions.	Our procedures included, amongst others: • We assessed management's determination of the group's Cash-Generating Units ("CGUs"); • We involved Hall Chadwick's valuation experts to evaluate the methodologies used by the group and review the mathematical accuracy of the cash flow forecasts; • We evaluated management's key assumptions used in the cash flow forecasts to determine the recoverability of assets and agreed relevant data to supporting documents; • We challenged management on the key assumptions used in the cash flow forecasts by considering this information and evidence available to us internally and externally; • We evaluated the historical reliability of prior period cash flow forecasts including assessing this against the actual financial performance of the group; • We performed sensitivity analysis around the key assumptions of growth rates and discount rate used in the cash flow forecasts and assessed the sensitivity and likelihood of a change of these assumptions that either individually or collectively would result in the intangible assets to be impaired or otherwise; and • We assessed the adequacy of the group's disclosures in relation to the carrying value of intangible assets and property, plant and equipment.

Share-based payments arrangement

Refer to Note 20 Issued Capital and Note 23 Share-based payments

During the year ended 30 June 2020, the group granted 40 million options to a key management person. These options were accounted for as share-based payments in accordance with AASB 2 "Share-based Payments". This is a key audit matter due to the significance of the transaction and the accounting complexity including judgement involved in determining the fair value of the options and the accounting for the required share-based payment arrangement.	Our procedures included, amongst others: • Obtained and reviewed the key terms and conditions attached to the options issued; • Evaluated management's assessment of the valuation and recognition of the options granted; • Reviewed the estimated fair value of options using an option pricing model, including assessing the reasonableness of key inputs used in the model; and • Assessed the adequacy of the group's disclosures in relation to the share-based payment arrangement.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

THE FOOD REVOLUTION GROUP LIMITED
ABN 20 150 015 446
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE FOOD REVOLUTION GROUP LIMITED
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Auditor's Responsibility 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 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 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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 Group'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 Group 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 the directors regarding, amongst 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.

HALL CHADWICK (NSW)

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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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the remuneration report included in pages 11 to 15 of the directors' report for the year ended 30 June 2020.

The directors of the company 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.

Opinion

In our opinion, the remuneration report of The Food Revolution Group Limited and its controlled entities for the year ended 30 June 2020 complies with s 300A of the Corporations Act 2001.

Responsibilities

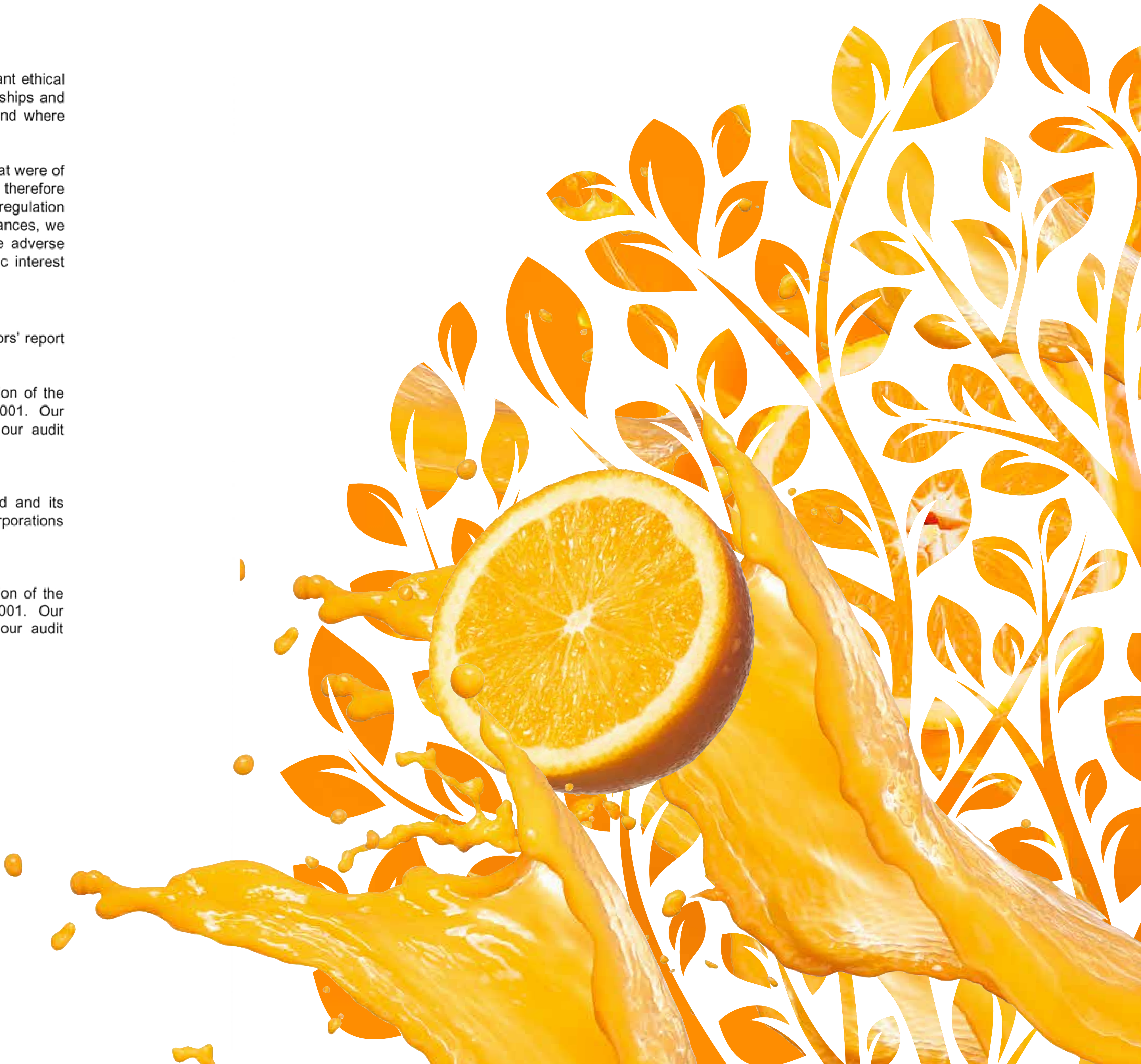
The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 30 September 2020

ASX ADDITIONAL INFORMATION



ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 25/09/2020:

1. Shareholding

a. Distribution of Shareholders

Spread of Holdings	Number Of Holders	Number Of Units	% Of Total Issued Capital
1 - 1,000	153	110,811	0.02%
1,001 - 5,000	218	753,942	0.10%
5,001 - 10,000	501	4,034,963	0.56%
10,001 - 100,000	1,135	44,312,884	6.12%
100,001 - 999,999,999,999	378	675,461,926	93.21%
TOTAL	**2,385**	**724,674,526**	**100%**

b. The number of shareholdings less than marketable parcels is 897.

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder	Number Ordinary	% of Voting Power
Careline Australia Pty Ltd	104,037,037	14.36
Y&L Family Investments Pty Ltd	93,703,704	12.93
Shenzhen Youngheng Biotechnology Co Limited	55,000,000	7.59
Food Innovators Pty Ltd	45,000,000	6.21
HSBC Custody Nominees	41,247,545	5.69
Pacific International Management Fund Pty Ltd	40,740,741	5.62

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

d. Voting Rights

Rank	Name	Units	% of Units
1	Careline Australia Pty Ltd	104,037,037	14.36
2	Y & L Family Investments Pty Ltd <Y & L Family A/C>	78,888,889	10.89
3	Shenzhen Youngheng Biotechnology Co Limited	55,000,000	7.59
4	Food Innovators Pty Ltd <Food Innovators Unit A/C>	45,000,000	6.21
5	HSBC Custody Nominees (Australia) Limited	41,247,545	5.69
6	Pacific International Fund Management Pty Ltd <The Pi A/C>	40,740,741	5.62
7	Investorlend Services Pty Ltd <Client Holding A/C>	24,734,978	3.41
8	Victorian Clean Technology Fund Pty Ltd	22,968,868	3.17
9	Fanucci Pty Ltd <Fanucci A/C>	17,069,018	2.36
10	Y & L Family Investments Pty Ltd <Y & L Super A/C>	14,814,815	2.04
11	Pacific International Fund Management Pty Ltd <Pi A/C>	12,037,037	1.66
12	Guangzhhou Financial Pty Ltd	10,000,000	1.38
13	Lang Holdings Pty Ltd	9,974,164	1.38
14	Investorlend Pty Ltd <Client Holding A/C>	7,793,650	1.08
15	Branding Rewards Pty Ltd	6,481,482	0.89
16	Bnp Paribas Noms Pty Ltd <Uob Kh P/L Ac Uob Kh Drp>	6,005,718	0.83
17	Fang Family Investments Pty Ltd <Fang Family A/C>	5,516,621	0.76
18	Mr Domenic Morello	5,283,882	0.73
19	Mr Giuseppe Morello	5,269,230	0.73
20	Fortis Corporate Advisory Pty Ltd	4,563,327	0.63
	Totals: Top 20 holders of FOD ORDINARY FULLY PAID	**517,427,002**	**71.4**
	Total Remaining Holders Balance	**207,247,524**	**28.6**
	Total Holders Balance	**724,674,526**	**100**

The voting rights attached to each class of equity security are as follows:

Ordinary Shares
Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands,

2. The name of the company secretary is Daniela Stojanoska.

3. The address of the principal registered office in Australia is 20 Heaths Court, Mill Park, VIC 3082. Telephone +61 3 9982 1451.

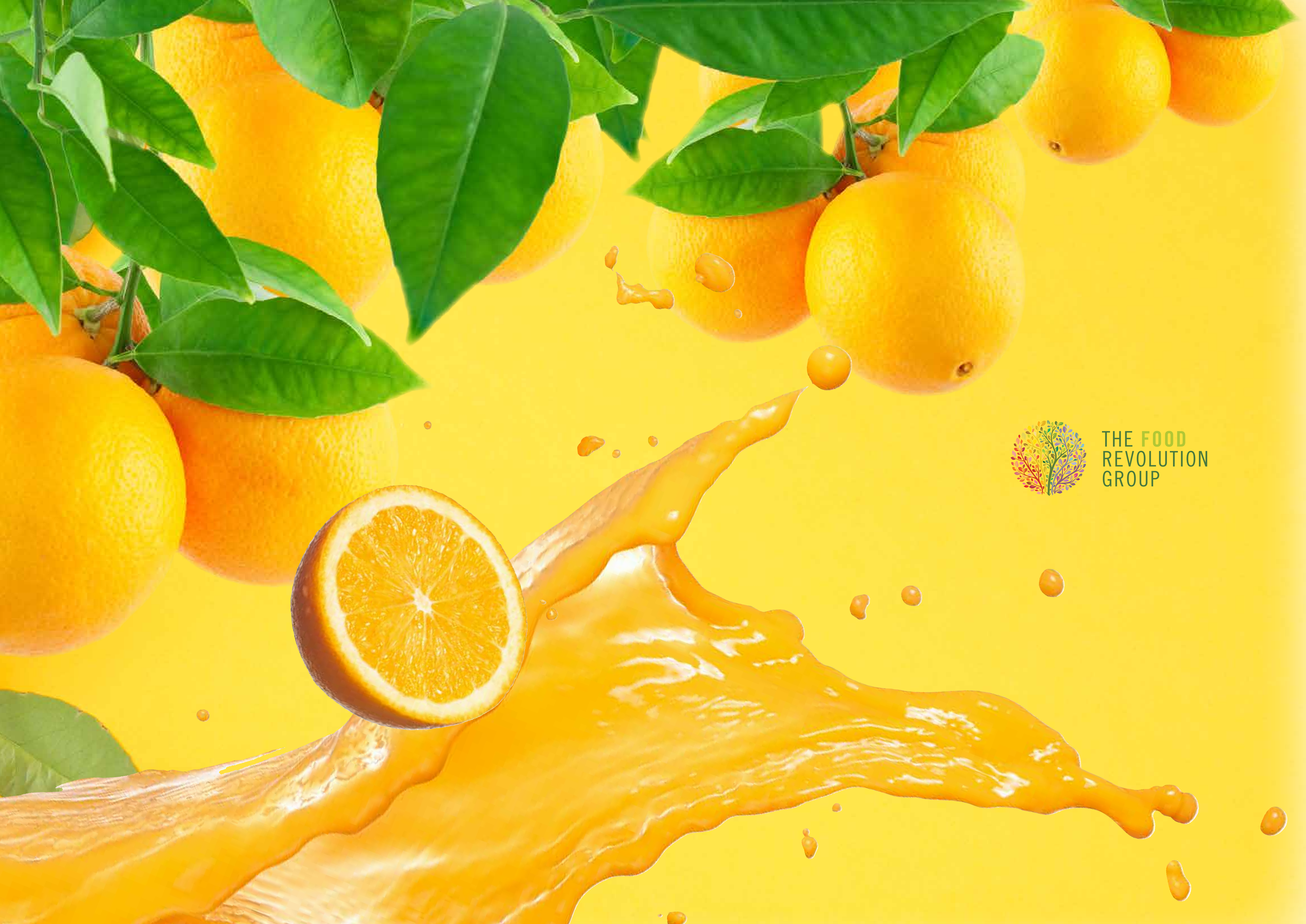
4. Registers of securities are held at the following addresses:
   20 Heaths Court, Mill Park, Victoria 3082

5. **Stock Exchange Listing**
   Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

6. Unquoted Securities
   Ordinary Shares:
   Nil

   Options over Unissued Shares:
   Nil.

   40,000,000 options are on issue to directors and employees under The Food Revolution Group employee option plan.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