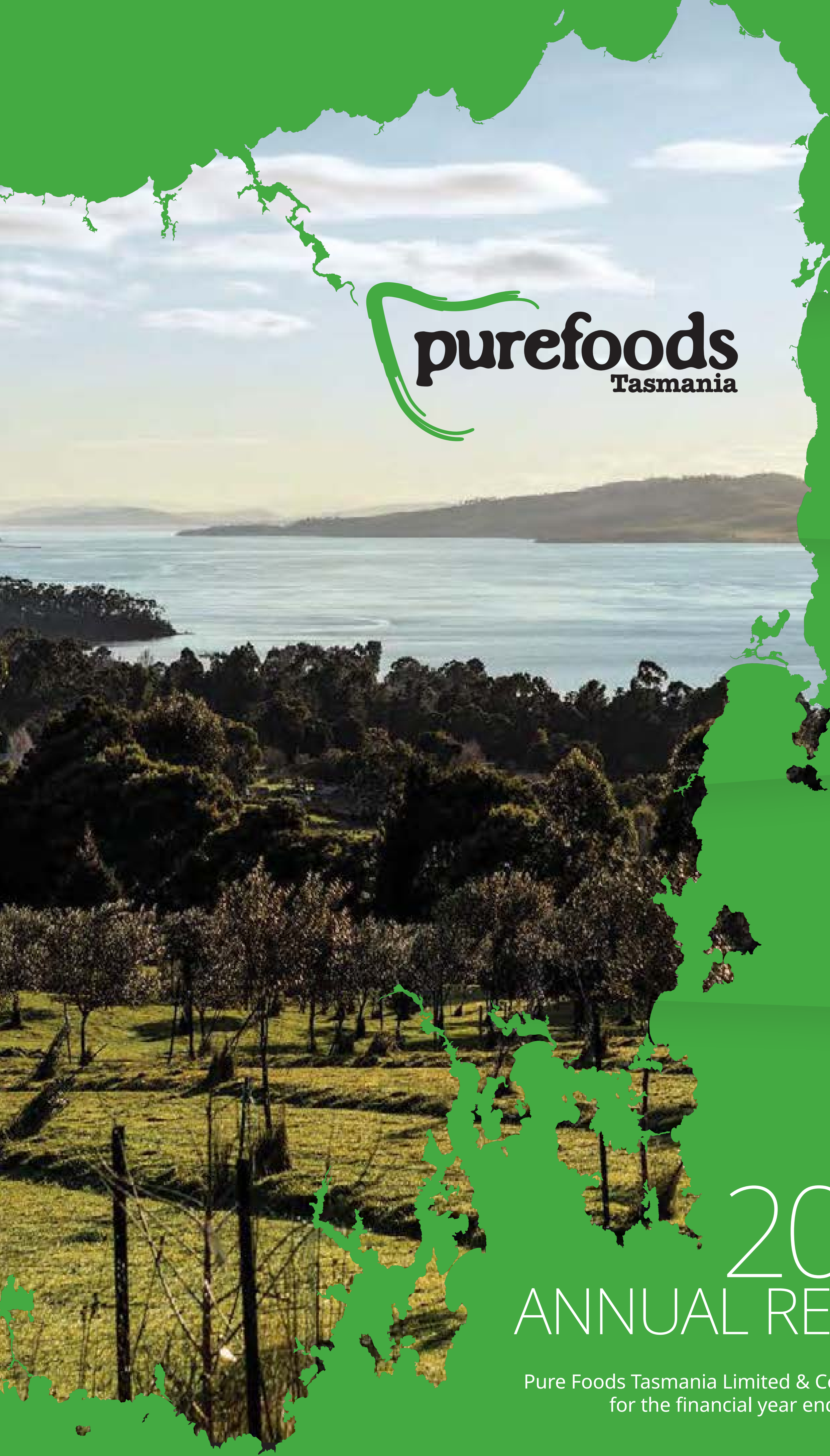
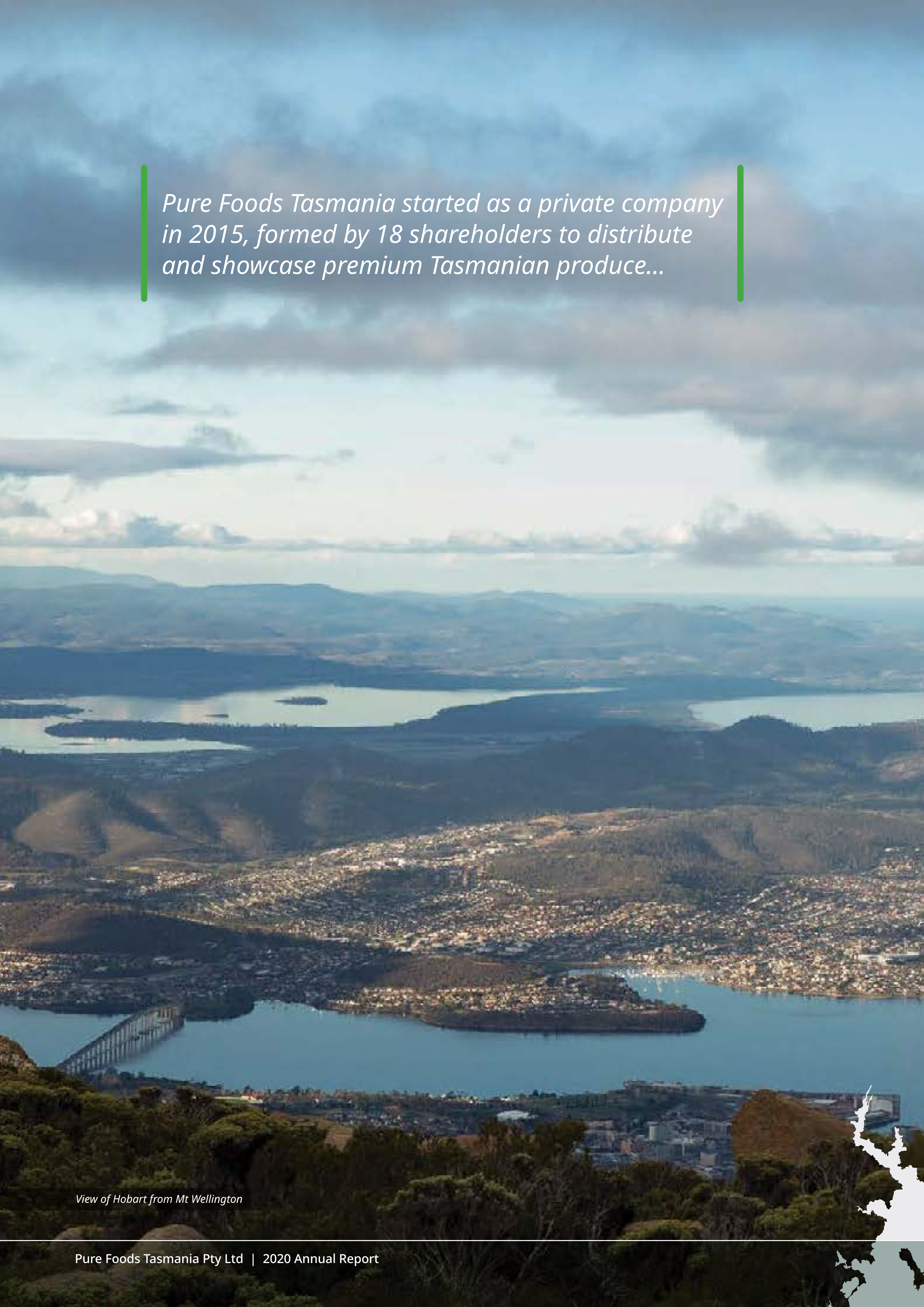
purefoods Tasmania



2020 ANNUAL REPORT

Pure Foods Tasmania Limited & Controlled Entities
for the financial year ended 30 June 2020

Pure Foods Tasmania started as a private company in 2015, formed by 18 shareholders to distribute and showcase premium Tasmanian produce...



View of Hobart from Mt Wellington

Contents

Who is Pure Foods Tasmania?

Pure Foods Tasmania Holdings Pty Ltd, a wholly owned subsidiary of Pure Foods Tasmania Ltd (PFT), was formed in 2015 with the aim to acquire, grow and develop premium food businesses in Tasmania.

To date and in line with this strategy, PFT acquired two businesses (which are held through separate wholly owned subsidiaries): Tasmanian Pate and Woodbridge Smokehouse. On 9 September 2020, PFT added a third business to its portfolio: Daly Potato Company Pty Ltd.

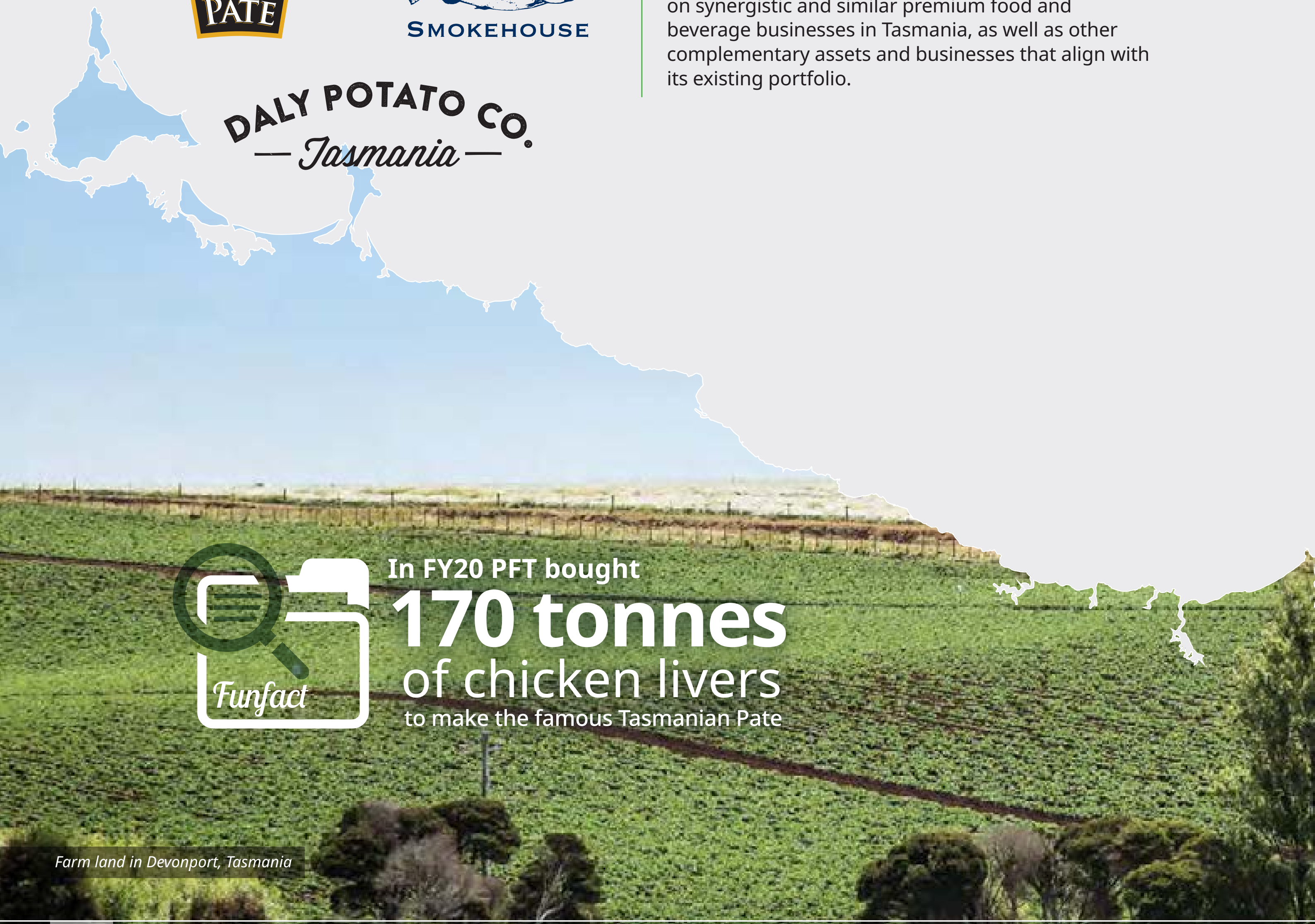
Strategy

PFT's growth strategy is twofold:

- organically grow its existing pate and Woodbridge product range and;
- grow via the acquisition of complementary businesses.

Organic growth will be achieved through increased penetration of existing markets, entry into new markets with a focus on exports and new product development. Significantly, the move to the new purpose-built facilities in Mornington, Hobart provides a platform for the Company to increase pate production, improve operating efficiencies, develop a range of new products and obtain an export licence to explore opportunities in overseas markets.

PFT also intends to grow through the acquisition of complementary businesses, with a focus on synergistic and similar premium food and beverage businesses in Tasmania, as well as other complementary assets and businesses that align with its existing portfolio.



Farm land in Devonport, Tasmania

Chairman's Report

I am pleased to present the Pure Foods Tasmania Annual Report for the financial year ended 30 June 2020. This is the first annual report presented by Pure Foods Tasmania as an ASX listed company. Listing was successfully completed on 30 April 2020.

Pure Foods Tasmania started as a private company in 2015, formed by 18 shareholders to distribute and showcase premium Tasmanian produce to local, interstate and overseas markets. Beginning with 2 companies, Tasmanian Pate and Woodbridge Smokehouse, our strategy is to grow organically and through further acquisition. The public listing enables the company access to capital to achieve diversification and economies of scale, key contributors to our revenue and profit growth.

The Board maintains a strong focus on all aspects of corporate governance, not only ensuring its policies, practices and frameworks are of a high standard, but also that they evolve to meet increasing community expectations. The Board also seeks to monitor that the company's values are upheld to ensure a positive culture can thrive.

Our core values are:

- **Integrity:** we act honestly, with integrity in all dealings, both internally and externally.
- **Respect:** we respect all people; their ideas and cultures.
- **Safety:** we are committed to providing a safe and non-discriminatory working environment.
- **Community:** we act with reasonable expectations of our investors and the broader community.
- **Commitment:** we are committed to achieving positive outcomes for all stakeholders.

Pure Foods Tasmania aims to acquire, grow and develop premium food businesses in Tasmania, particularly where associated products are complimentary to existing products. We endeavour to maintain an awareness of international trends in consumer tastes, healthy food options, convenience and packaging.

Our growth initiatives will be supported by the recently formed team charged with the responsibility of branding, new product development and distribution. Investment in people is paramount to maintaining a skilled, engaged and effective workforce. On behalf of the Board, I would like to thank our hard-working dedicated team members, particularly, our extremely resourceful and talented Managing Director, Michael Cooper.

Your Board is confident that appropriate strategies are in place, supported by a strong Company culture, to drive the right outcomes for customers, the community and continued value creation for our shareholders over the long-term. On behalf of my fellow Directors, I thank you for your continued support for our company and look forward to seeing as many of you as possible at our Annual General Meeting in November.

Malcolm McAully
Non-Executive Chairman

> *"Tasmania really is the best place in the world. We're very lucky!"*
>
> *Michael Cooper*
> *Managing Director*

Managing Director's Report

This has been a watershed year for Pure Foods Tasmania, and one marked with surprises and continued robust performance of our core businesses – Tasmanian Pate and Woodbridge Smokehouse. The surprises were several and included:

- Successfully listing PFT on the ASX in the midst of global uncertainty in the wake of the COVID-19 pandemic;
- Being overwhelmed by the interest shown by investors and the substantial over-subscription witnessed in the listing;
- The momentum in the share price which touched $1.39 on 1 October 2020, 595% above its listing price on 30 April 2020;
- The strong underlying demand for our products in Australia where the economic outlook is uncertain, and many States in Australia continue to have their borders closed;
- Robust international demand for our products and interest in our developing range of new products, including pate following the successful application for an export licence for Tasmanian Pate. This is at a time when international borders are closed, and many countries have lockdown measures in place as they deal with the first wave and/or second wave of COVID-19.

Tasmanian Pate was acquired in 2015 and for the four years to June 2020, recorded compound annual revenue growth of 8.4% per annum. It has been a consistent and solid business and a strong cash generator. In FY20 it generated EBITDA of $825,124, a margin of 26% on revenue. With the new plant to be commissioned later this calendar year, an investment in excess of $1M, we anticipate those margins will grow.

Tasmanian Pate also secured an export licence on 27 August 2020 and this opens up a new market for pate as the Company has never exported pate. Initial export interest is very promising.

Woodbridge Smokehouse was also acquired in 2015 and has undergone substantial restructuring and realignment of its product mix to return the business to profitability and refocus it on its burgeoning export market. Our philosophy was that it is a super-premium product and there was never any intention to build a strong national presence. We currently export over 60% of our smoked salmon and trout and the core strategy has been to extend that, however recent inquiries from local retailers and subsequent success with a State-based and high-end bakery chain in Victoria, has changed our thinking.

Woodbridge is cashflow positive and generating positive EBITDA and recorded compound annual revenue growth of 16% per annum for the four years to June 2020.

Staff safety is our number one priority and in FY20 we had zero instances of injury or time lost due to accidents or injuries. Moreover, we now boast a majority female employee team across the Company and two of our three key senior appointments in the last 12 months have been women.

Other recent initiatives include:

- Product development in prepared meals
- Homestead – Tasmanian Pate sub-range
- New Pastures – Plant-based dairy
- Acquisition of Daly Potato Co
- Expansion and growth of e-commerce presence.

These initiatives are explored in detail throughout the report.

I want to thank all employees as it has been a very big year, with a stand out being the successful relocation to a new factory in October 2019 for Tasmanian Pate. This was a massive achievement considering we did not have any effects to our customer supply chain during the transition. I'd also like to thank the Board for the support of many long hours achieving our ASX listing on the 30th of April 2020.

Michael Cooper
Managing Director

PFT Financial Snapshot

FY20 Total Revenue

$4.72m

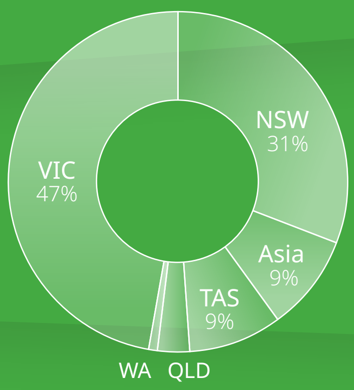
13% since Dec 2019

FY20 EBITDA

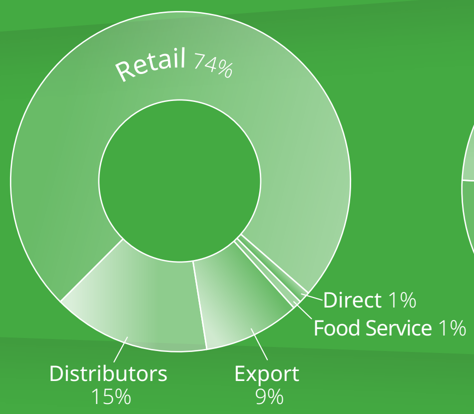
$41,009

562% since FY19

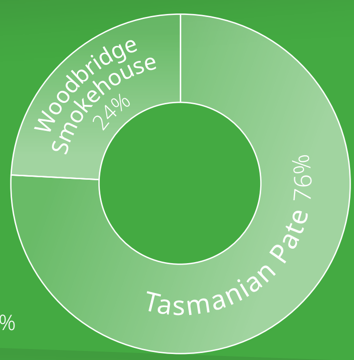
Revenue
BY REGION

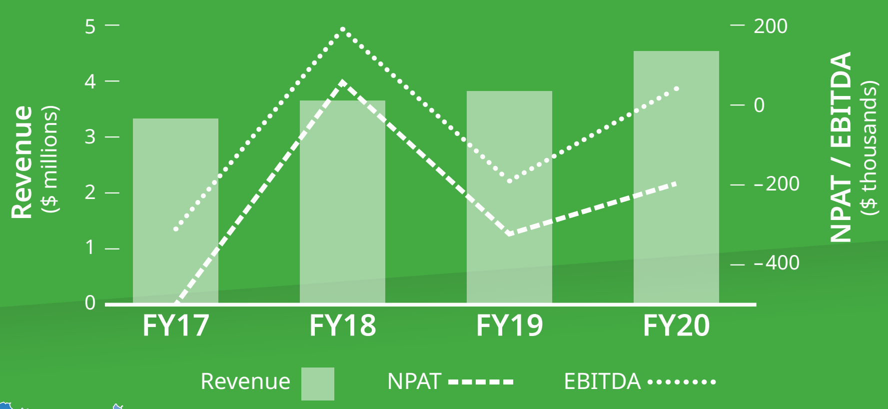


Revenue
BY CUSTOMER CHANNEL



Revenue
BY BUSINESS






Cradle Mountain in Tasmania's Central Highlands

PFT Group Review

Company Summary

Results FY20 v FY19 – PFT Group

Sales	FY20	FY19	Var $	Var %
Group	$4,279,764	$3,789,405	+$490,359	+13%
Net Loss	($196,480)	($322,158)		
Underlying EBITDA	$41,009	($189,322)		
Imparing	-	$193,861		
Listing	$193,861			

Pure Foods Tasmania had a highly successful FY20, as shown in the financial figures and through the Charmain's and Managing Director's reports.

This secure position supports PFT to be in an strong place for substantial future growth, where PFT will continue to grow organically and through acquisition.

Forward Revenue

PFT has begun the new financial year with strong momentum, following the recent success of 3 pate products being ranged in retail nationally in Q2 FY21. We are forecasting this to grow Group revenue by 35% in FY21.

Ongoing discussions are also current to secure a national partner to increase our distribution across the Australian retail and route market with our brands.

New Categories

Following on from securing a product range in the plant-based food category, the PFT Board has also approved the move into beverages, both non-alcoholic and alcoholic.

This has been where the majority of Michael Cooper's, PFT Managing Director, experience over the last 28 years. Michael is confident PFT can innovate in the beverage space focusing on using Tasmania's pure clean water, along with the amazing fruits grown on our island.

Export

We are also working closely with our export customers to enter the e-commerce business via their own portals which is an extremely fast-moving space. Driven by COVID-19 restrictions, consumers are buying more of their food online.

Automation

FY21 will see the largest investment in automation for PFT since 2015 with capex of over $1 Million to support growing demand for our products, along with improved operational efficiencies and critically, safety for our employees. This investment will also improve our product quality, yield and with a forecasted payback of 24 months.

pâté (noun)

*pâ·té | \ pä-ˈtā , pa- *

1: a spread of finely chopped or pureed seasoned meat

2: a meat or fish pie or patty

Tasmanian Pate

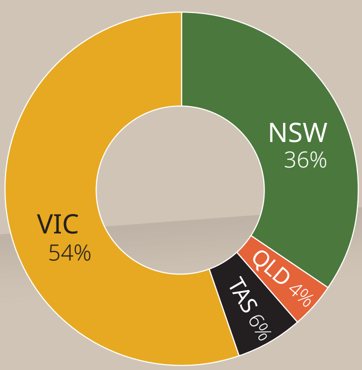
Tasmanian Pate produces a wide range of premium pates that have been enjoyed for over 20 years by Australians.

Ranged nationally in retail stores and in quality independent grocers, Tasmanian Pate is a product you can guarantee will compliment any entertaining platter.

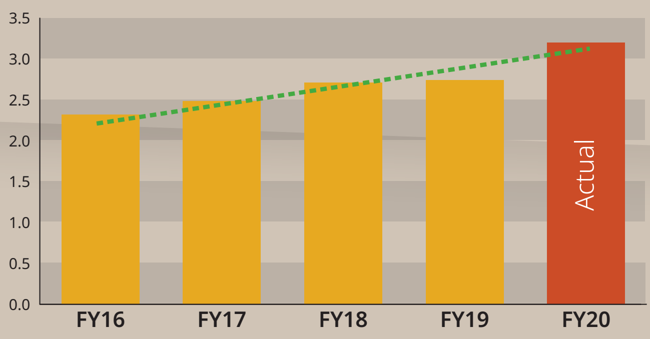
Highlights

- Tasmanian Pate achieved a record result with strong sales in pate across all customers while continuing to focus on driving cost efficiencies.
- New factory commissioned October 2019 delivered increased capacity and improved product quality and yield.
- New product development underpinned growth for Tasmanian Pate; this supports the continued investment in new products as we seek to bring more "Better For You" products to our consumers.
- Shelf ready packaging was also introduced to promote brand awareness.
- We are also working hard and, where at all possible, use 100% Tasmanian ingredients, helping to give us a competitive point of difference.
- In Q1 FY21, 3 new pate products will be launched into 850 retail stores nationally under a new tier brand, Homestead by Tasmanian Pate (see page 12).

FY20 Sales by State

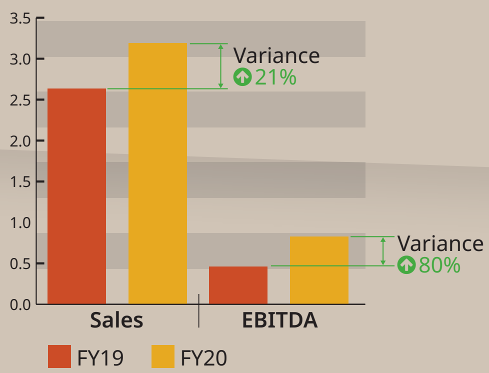


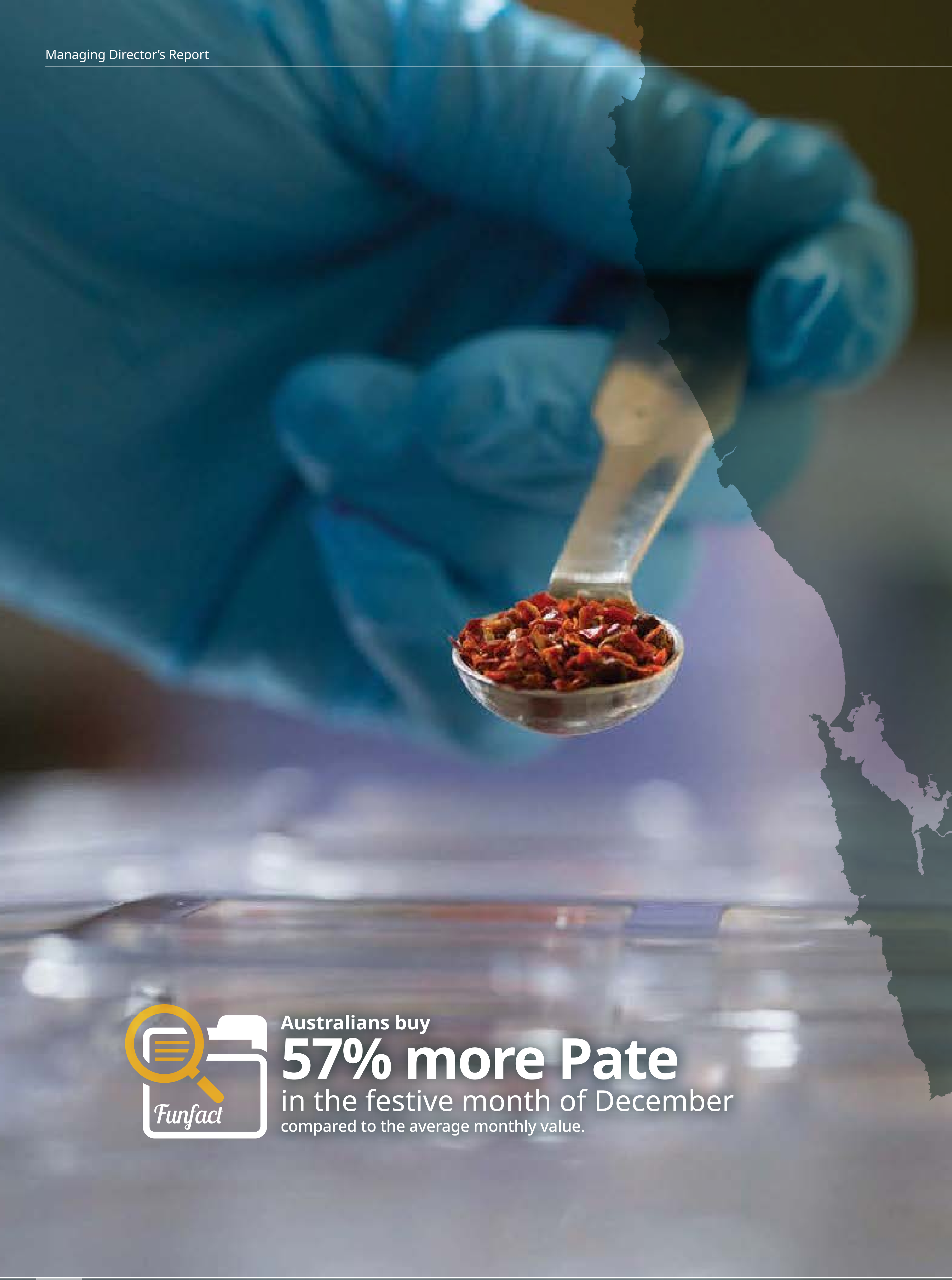
Sales ($ millions)



5 years of solid growth

12 Month Variance ($ millions)





Funfact

Australians buy

57% more Pate

in the festive month of December

compared to the average monthly value.

Operations

Tasmanian Pate's operations received a large overhaul in FY20, with the move from our North Hobart facilities to Mornington on the Eastern Shore in October 2019. Not only did this move allow room for expansion but increased the safety for employees and reduced running costs with a more competent facility.

Pure Foods Tasmania has continued to invest in this new facility with significant renovations and further expansion after establishment. This expansion will see room for a distribution centre for more PFT brands, and to facilitate the increasing number of e-commerce orders.

Tasmanian Pate applied for an export license in FY20 for the new Mornington Facility, which we are pleased to announce was approved in Q1 FY21. This opens a whole new market for Tasmanian Pate and is confirmation of the high standard our new Mornington facility has established.

Marketing & Sales

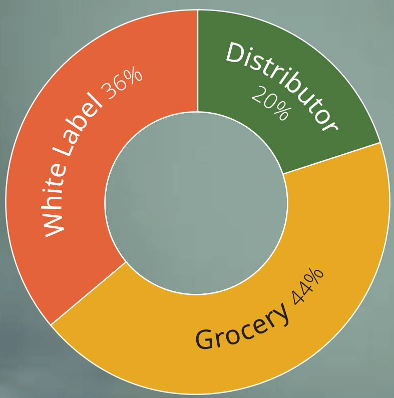
The introduction of shelf ready displays throughout the independents and national retail stores in FY20, increased the shelf presence of the existing product lines. These displays will be distributed further during FY21 to support brand awareness and recognition.

Tasmanian Pate launched a new Free-Range Chicken Pate product into retail and independents in Q2 FY20. This new line helped to drive Tasmanian Pate sales, which recorded a lift in the top line of 21% for the financial year.

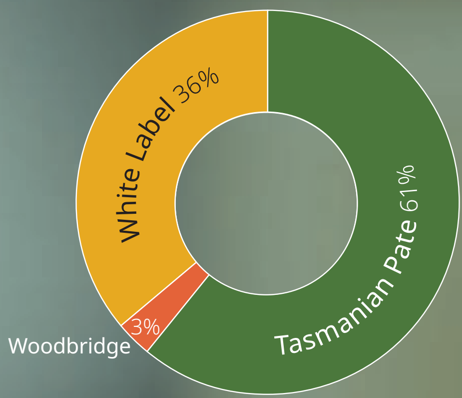
This initiative has set Tasmanian Pate up for significant growth in FY21, which is reinforced with the launch of a new tier up range, Homestead by Tasmanian Pate in Q1 (see page 12).

Moving into FY21, Tasmanian Pate will receive some much-needed branding and marketing attention from PFT's newly employed Marketing & Brand Manager, which will help to drive this growth further.

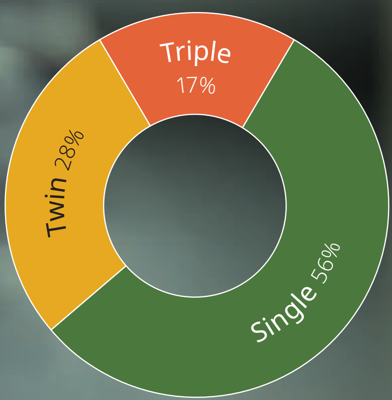
FY20 Sales by Customer Type



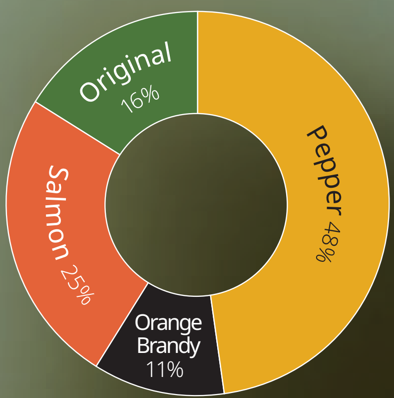
FY20 Sales by Brand



FY20 Sales by Pack Type



FY20 Sales by Flavour



Homestead by Tasmanian Pate

With rich and fertile soils, Tasmania has always been a haven for premium produce. A drive through the State's rustic landscape you are brought back to provincial Tasmania with stretches of rolling fields and groves.

Homestead by Tasmanian Pate brings the beauty of Tasmania's produce and meadows to you, to experience and enjoy with family and friends.

A sub range of Tasmanian Pate, PFT has secured three new lines into retail nationally under a new brand, Homestead.

Homestead focuses on premium Tasmanian produce, to produce flavours yet to be seen in the Australian pate market.

The following 3 SKUs will be stocked in 850 retail stores Australia wide from October 2020:

- Tasmanian Salmon with Lemon Pepper Jelly 150g
- Duck Pate with Tasmanian Brandy Jelly 150g
- Free Range Chicken Pate with Cracked Pepper 150g

These products are estimated to increase Tasmanian Pate sales by 45% and the Group by 35% in FY21.

Woodbridge Smokehouse

The Southern Ocean produces the finest fish, from which we make the finest smoked products. It's that simple.

Established in 2004, Woodbridge Smokehouse produces some of the most mouth-watering and luxuriant smoked Ocean Trout and Atlantic Salmon available today – anywhere in the world.

Situated on the verdant south-east coast of Tasmania, Woodbridge Smokehouse is set in our own 25-acre apple orchard. Traditional hand-smoking processes using the wood of our own fruit trees creates the delicate and distinctive flavours for which Woodbridge Smokehouse is renowned.

Woodbridge Smokehouse Tasmania

Highlights

- Woodbridge Smokehouse saw a slight reduction in gross sales mainly due to a restructure involving deleting of unprofitable products produced exclusively for some customers. The focus has been to move these customers into products that deliver a positive return.
- The focus will continue in FY21 driving cost efficiencies along with new product development to support growth for both domestic and export customers.
- FY20 also saw the investment in new packaging including our 200g twin pack for both salmon and ocean trout.
- A new factory for value adding and product development under construction and to be completed end Q1 FY21.
- We are currently working with export customers in Asia to expand distribution through retail and e-commerce channels.

Operations

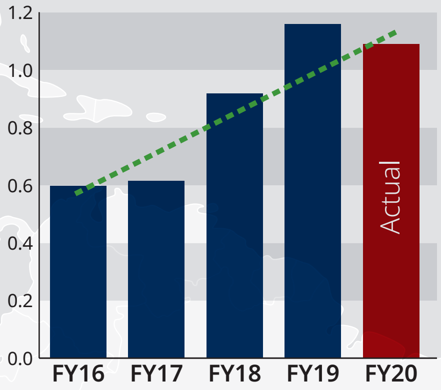
The operational focus for Woodbridge Smokehouse in FY20 was to create further efficiencies in costs and production. To enable this, PFT employed a production supervisor for the Smokehouse to manage the operations on a day to day basis and to identify potential areas of improvements.

Alongside PFT's Operations Manager, the Production Supervisor was able to drive cost efficiencies with a reduction of SKUs and stronger processes within the Smokehouse. This meant that a smaller number of products were produced in a more systematic way, reducing waste, processing times and product inconsistencies.

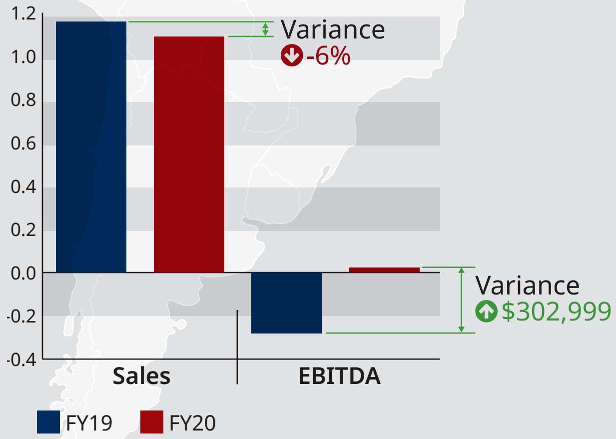
In addition, PFT also purchased a number of new pieces of equipment to streamline production processes and to increase production safety.

In FY20 PFT began the preparation of a packing and distribution centre at our Mornington facility to improve efficiencies and to consolidate operations. We hope to have this completed and the packing and distribution of Woodbridge Smokehouse transitioned to the new facility by Q2 FY21.

Sales ($ milions)



12mth Variance ($ milions)



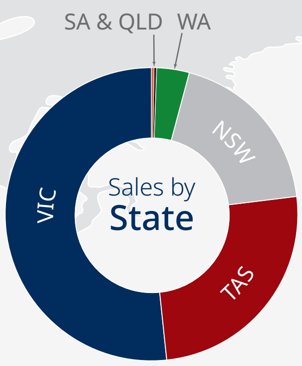
Marketing & Sales

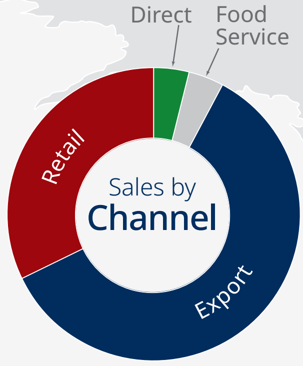
Woodbridge Smokehouse has had an online store for many years, focusing on small order numbers going out to most States of Australia. With e-commerce now being so dominant in the consumer market, PFT has initiated a re-focus on our e-commerce presence and made changes to drastically expand the stores potential. We hope that in FY21 we see some large sales and distribution volumes from e-commerce, not only for Woodbridge Smokehouse.

With the introduction of COVID-19 in Australia and the closing of the borders, PFT made the decision to close the Woodbridge Taste House indefinitely. The Taste House was a great direct to consumer channel for locals and tourists, however it was very resource heavy. With the closing of the Taste House, the Smokehouse has been able to refocus employees solely into production, and transition direct customers to the new online store which provides a wider range of products, still with the convenience of buying direct from the producer.

With the employment of a local route Sales Manager in Q3, Woodbridge Smokehouse saw a major increase in active customers in Tasmania, with a mix of reactivated and new retail and food service customers. This focus on local route sales supports PFT's objective of supporting our local Tasmanian community, and small independent businesses.

FY21 will see a new life for Woodbridge Smokehouse, with a brand refresh to better align it as the artisan producer it is.





State*	Value
VIC	51.6%
TAS	25.6%
NSW	19.0%
WA	3.6%
QLD	0.1%
SA	0.1%

** Only retail and food service channels*

Channel	Value
Retail	32%
Export	60%
Direct*	4%
Food Service	4%

** Direct includes online store, Taste House and cash sales*

Species	% Sold
Ocean Trout	50.5%
Atlantic Salmon	49.5%

Expanding Exports

"Pure Foods Tasmania for us represents some of the best of the premium quality Tasmanian brands in our export portfolio. Their dedication to quality branded products and their belief in the value of export markets have grown the Woodbridge brand overseas. PFT's expansion of their portfolio is providing us with new opportunities in expanding exports, based on the reputation of the Woodbridge brand."

David Meredith
Tas'Mania Limited, Hong Kong

Feature Recipe

Recipe created by Dean's Kitchen.

Potato Rosti with Smoked Salmon & Jammy Eggs

Serves 4 (makes 8–10 rosti)

Method

Potato Rosti

Wash potatoes under cold water and drain well.

Grate the potatoes and place into a clean tea towel and squeeze all of the moisture out of them. Try to release as much moisture from the potatoes as possible and then place into a large mixing bowl.

Combine the flour, egg whites and a generous amount of salt and pepper with the potatoes in the mixing bowl and mix well with your hands.

In a medium sized pan add enough olive oil so you can shallow fry the potato rosti. Bring your olive oil to heat on a high heat. Once there is a haze coming from the pan, turn the heat down to medium.

Take a handful of potato rosti mixture and flatten well into the palm of your hands. Place 2 - 3 potato rosti into the pan and cook for 2 minutes on each side or until they are golden and crispy. Place the cooked potato rosti on a pre-lined plate with absorbent paper and repeat this with the remainder of the mixture.

Jammy Eggs

Bring a medium sized pot of water to the boil. Slowly add your eggs to the pot and cook for 5–6 minutes.

Place your eggs into a bowl with icy cold water to prevent them from cooking any further. Peel their shell and cut in half when ready to serve.

Herbed Creme Fraiche

Combine all ingredients into a medium sized bowl and mix well with a spoon until all ingredients are well combined. Serve immediately or cover and leave in the fridge until you are ready to serve it.

To Finish

Assemble all ingredients onto a plate and finish off with a sprinkling of fresh dill and chives.

Ingredients

Potato Rosti

- 4 large white potatoes
- 2 egg whites
- 2 tablespoons all purpose white flour
- Salt and pepper
- Olive oil

Smoked Salmon & Jammy Eggs

- 200g Woodbridge Smokehouse Cold Smoked Atlantic Salmon
- 2 - 4 eggs cold from the fridge

Herbed Creme Fraiche

- 200ml Creme Fraiche
- 1/2 bunch fresh dill
- 1 bunch fresh chives finely chopped
- 1/4 lemon

What's Ahead for PFT?

PFT is well balanced to deliver strategic growth in its core business and is expanding in the right categories which will allow the Company to continue to deliver strong returns to shareholders. Its core objectives include:

- Investment in brand and marketing to support existing products along with future new product development.
- To partner or acquire other Tasmanian brands to ensure PFT is operating in growth categories to support consumers with products that they will buy, consume and enjoy.
- Continue to drive cost efficiencies across all business units.
- Innovate to always have a point of difference.

New Pastures – Plant Based Dairy

PFT will launch a new plant based dairy range, New Pastures in Q2 FY21.

A key feature of this momentum is continuing to innovate and expand PFT's product range and to take the lead from market and consumer trends.

The 6 varieties are all produced in Tasmania.

New Pastures aims to develop Tasmania's presence in the global plant-based market, with potential of product expansion.

PFT will utilise its current distribution model to support this new range of products, with access to existing national retail, export and direct to consumer channels.

This is the first step in entering the new rapidly growing market which is forecasted to reach $3.9 Billion globally by 2024*.

The global plant-based cheese market is expected to grow at a CAGR of over 15% during the period 2018–2024* and we expect this trend to be similarly reflected in Australia.

** Plant-based Cheese Market - Global Outlook and Forecast 2019-2024, Report, December 2019*

NPD Meal Solutions

A range of meal solution products is currently being developed to target a premium convenience market.

Focusing on Tasmanian produce, the range will showcase a fresher meal solution option to that currently available to the market.

The product is expected to be sold nationally through independents, direct to consumer online, and through existing PFT export channels.

The range is expected to launch in Q2 FY21.

According to GlobalData, Australia's prepared meals market was worth $1.14 Billion in 2019.

Concept for illustrative purposes only.

Acquisition of Daly Potato Company Pty Ltd

On 9 September 2020, PFT announced the acquisition of Daly Potato Company (DPC) for $1.8M, made up of cash and scrip. DPC is a national producer of ready-prepared potato salads, widely ranged in a number of national retail stores. In FY20, it recorded sales revenue of $2M.

The acquisition meets a number of key metrics for PFT and merges two businesses that are both strategically and operationally aligned and service the same core retail customers.

Notably:

- It adds new products to PFT's product range, including vegan options;
- PFT benefits from an array of new products that are planned to be launched nationally this financial year, as well as a portfolio of new products that are in the development stage;
- There is also limitless NPD opportunities through complementary meal solutions using our full suite of products;
- DPC doesn't currently have an export licence and PFT believes there is strong international demand for DPC's products, particularly in Asia and will seek to attain an export licence for DPC;
- Significant capital investment is planned over the next several years with a view to increasing efficiencies, boosting productivity, and growing margins.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Our People

With such rapid growth within the company, PFT has begun to prepare itself with the right human resources to nurture and drive the growth. Some key new roles were created in FY20, includes Sales Account Manager, Marketing & Brand Manager and Production Supervisor.

During FY20, PFT created 7 new roles for locals within the corporate and production teams. Providing employment for our local community is very important to PFT. We want to ensure we support the economy through small business and employment.

Safety is Our Priority

KPI's	FY20
LTIFR	0
MTIFR	0
TRIFR	0
Score Card	**100%**

Definitions

LTIFR:
Lost Time Injury Frequency Rate:
Nº of Lost Time Injuries
÷ Total Nº of Hours Worked
x 1,000,000 hours.

MTIFR:
Medical Treated Injury Frequency Rate:
Nº of Medically Treated Injuries
÷ Total Nº of Hours Worked
x 1,000,000 hours.

TRIFR:
Total Injury Frequency Rate:
LTIFR + MTIFR

A Majority Female Company

With the recent addition of staff at Pure Foods Tasmania we are proud to say we are now majority female. With 34 female employees in the factory and corporate office, we are now 52% female as of 30 September 2020. We believe this is a great accomplishment in a male led industry.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Board supports the principles of good corporate governance. The Company follows the best recommendations as set out in the ASX Corporate Governance Council. Where the Company has not followed the best practice recommendations, an explanation is given in the Corporate Governance Statement which is available on the Company's website at www.purefoodstas.com/investors/corporate-governance.

Board of Directors

Malcolm McAully

Non-Executive Chairman

Malcolm is an experienced Company Director having held senior roles over a diverse range of industry backgrounds such as financial services, energy generation, waste management, agribusiness, technology manufacturing, human resource management and food manufacturing.

He has experience as Chairman of three ASX listed companies, including ISG Company, Cougar Energy Limited from 2006 to 2013 and is a Non-Executive Director for several privately-owned companies. Malcolm is also Chairman of Chaucer Energy Limited which is seeking to list on ASX in 2020.

Malcolm has held various executive management positions including National Manager for MLC Life when owned by the Lend Lease Group. He holds a Master of Business and qualifications in accounting, business management, mediation, turn around management and GAICD. Malcolm's primary focus is strategy and project development, financial management, corporate governance and stakeholder relations.

Michael Cooper

Managing Director

Michael is the Managing Director of PFT. Michael has over 28 years' experience in senior executive roles in the food and beverage industry. He was the CEO and later Managing Director of Juicy Isle Pty Ltd (JI) and recently sold his family interest to Myer Family Investments. JI was the largest supplier of organic juice in Australia to Woolworths, Coles and Costco.

He was also a Director (2012 to 2017) of Ausfec Ltd, a $550M revenue business. Ausfec was the major route to market distribution channel for global brands such as Cadbury, Nestle, Mars, Wrigley, Smith and SBA Snack Foods, Red Bull and V energy drinks. Michael is also a director of Brand Tasmania, a Tasmanian State Authority created under the Brand Tasmania Act 2018. Michael joined the PFT Board in February 2017 and was appointed Managing Director on a part time basis in October 2018 and full time from April 2019.

Alexander “Sandy” Beard

Non-Executive Director

Sandy is the former Chief Executive Officer of CVC Limited (ASX:CVC) (between 1991-2019). He has extensive experience with investee businesses, both in providing advice and in direct management roles, especially bringing management expertise to early-stage businesses.

Sandy is currently the Chairman of Probiotec Ltd ASX:PBP, Director of Centrepoint Alliance ASX:CAF, Tas Foods Limited ASX:TFL and has been a Director of numerous public and private companies encompassing 25 years, including being a Director of the following Companies in last 3 years: CVC Limited, ASX: CVC Eildon Capital Limited (ASX:EDC), US Residential Fund (ASX:USF), Lantern Hotel Group (ASX:LTN). He is also Chairman of the unlisted public company Shellfish Culture Limited.

Ken Fleming

Non-Executive Director

Ken has extensive experience in capital markets and has held senior roles at Deutsche Bank, James Capel Australia and Tricom. He has also worked in the Australian public service and at KPMG.

Ken is a Director of Shellfish Culture (oyster spat and oyster farming business), Castray Capital and TasmaNet (ICT company). He holds an honours degree in economics and post graduate qualifications in economics and finance and is also a Fellow of the Financial Services Institute of Australasia (FFIN).

Justin Hill

Company Secretary

Justin is a Principal and Director at Page Seager Lawyers. He specialises in governance, mergers and acquisitions, and corporate structures and restructures. Justin also has significant experience in finance and advising companies on raising capital by way of equity and debt. He also provides advice to companies on the ASX listing rules.

Justin has a first-class honours degree in Commerce, a Masters in Law from the University of Melbourne and a Graduate Diploma in Applied Finance and Investment. Before joining Page Seager, Justin worked as in-house counsel for the investment banking division of Deutsche Bank in Sydney. Prior to working with Deutsche Bank, he was principal counsel in the institutional markets and investment division of National Australia Bank. He also worked for a number of years in the mergers and acquisitions team of Mallesons Stephen Jaques (now King & Wood Mallesons).

Directors' Report

Pure Foods Tasmania Limited and its controlled entities.

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of Pure Foods Tasmania Limited and its controlled entities for the financial year ended 30 June 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 Group during or since the end of the financial year up to the date of this report:

- **Malcom McAully** - Non-executive Chairman
- **Michael Cooper** - Managing Director
- **Alexander "Sandy" Beard** - Non-executive Director
- **Ken Fleming** - Non-executive Director.

Dividends Paid or Recommended

No dividends were paid or declared during the financial year.

Indemnifying Officers or Auditor

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

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

Proceedings on Behalf of the Company

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

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

Non-audit Services

The Board of Directors, in accordance with advice from the audit committee, 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:

The following fees were paid or payable to WLF Accounting & Advisory for non-audit services provided during the year ended 30 June 2020:

	$
Advisory Taxation Services	43,700
Accounting Assistance	36,639
Total	**80,339**

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 30 of this report.

At the date of this report, the unissued ordinary shares of the Group under option is as follows:

Grant Date	Expiry Date	Exercise Price ($)	Nº under Option
18/11/2018	30/04/2023	0.40	2,800,000
28/04/2020	08/11/2021	0.30	10,000,000

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

There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

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

During the year ended 30 June 2020, no ordinary shares of the Group were issued on the exercise of options granted. No further shares have been issued since year-end. No amounts are unpaid on any of the shares.

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 Directors and Company Secretary

Malcolm McAully

Non-Executive Chairman

Malcolm McAully is an experienced Company Director having held roles over a diverse range of industry backgrounds such as financial services, energy generation, waste management, agribusiness, technology manufacturing, human resource management and food manufacturing. Malcolm was the Chairman of ASX Listed Pinnacle VRB Ltd (ASX: PCE) from 2004 to 2005, and remained Chairman when the Company (following an acquisition changed its name to Cougar Energy Limited (ASX:CXY) until 2013 when he resigned. Malcolm is also the Chairman of Chaucer Energy Limited which is seeking to list on the ASX in 2020.

Malcolm has held various executive management positions including National manager for MLC Life when owned by the Lend Lease Group. He holds a Master of Business and qualifications in accounting, business management, mediation, turn around management and GAICD. Malcolm's primary focus is on strategic development, financial performance, corporate governance and investor relations.

Michael Cooper

Managing Director

Michael Cooper is the Managing Director of PFT. Michael has over 28 years experience in senior executive roles in the food and beverage industry. He was the CEO and later Managing Director of Juicy Isle Pty Ltd (JI) and recently sold his family interest to Myer Family Investments. JI was the largest supplier of organic juice in Australia to Woolworths, Coles and Costco. He was also a Director (2012 – 2017) of Ausfec Ltd, a $550 million revenue business. Ausfec was the major route to market distribution channel for global brands such as Cadbury, Nestle, Mars, Wrigley, Smith and SBA Snack Foods, Red Bull and V Energy drinks.

Michael is also a Director of Brand Tasmania, a Tasmanian State Authority created under the Brand Tasmania Act 2018. Michael joined the PFT Board in February 2017 and was appointed Managing Director on a part time basis in October 2018 and full time from April 2019.

Alexander Beard

Non-Executive Director

Alexander "Sandy" Beard is the former Chief Executive Officer of CVC Limited (ASX:CVC) (1991 – 2019). He has extensive experience with investee businesses both in providing advice and in direct management roles, especially bringing management expertise to early stage-businesses. Sandy has been a Director of numerous public and private companies encompassing 25 years, including being a Director of Eildon Capital Limited (ASX:EDC), Probiotec Ltd (ASX:PBP), US Residential Fund (ASX:USF), Tas-Foods Ltd (ASX: TFL) and Lantern Hotel Group (ASX:LTN). Sandy is currently a Director of ASX listed entities Probiotec Ltd (ASX:PBP), and Centrepoint Alliance Limited (ASX:CAF) and Chairman of unlisted Public Company, Shellfish Culture Limited.

Ken Fleming

Non-Executive Director

Ken Fleming has extensive experience in capital markets and has held senior roles at Deutsche Bank, James Capel Australia and Tricom. He has also worked in the Australian public service and at KPMG. He is a Director of Shellfish Culture (oyster spat and oyster farming business), Castray Capital Pty Ltd and TasmaNet (ICT Company). He holds an Honours Degree in Economics and post graduate qualifications in economics and finance and is also a Fellow of the Financial Services Institute of Australia (FFIN).

Justin Hill

Company Secretary

Justin is a Principal at Page Seager Lawyers – the largest law firm in Tasmania. Justin advises clients in a number of key industry sectors, including agribusiness, financial services, energy and the not for profit sector. He specialises in mergers and acquisitions, governance and corporate structures and restructures. Justin also has significant experience in finance (including derivative transactions) and advising on raising capital for companies by way of equity and debt. He also assists with preparing contracts of employment and provides employment advice on transfer of businesses.

Justin has a first class honours degree in Commerce, a Masters in Law from the University of Melbourne and a Graduate Diploma in Applied Finance and Investment. Before joining Page Seager as a Partner/ Principal, Justin worked as in-house counsel for the investment banking division of Deutsche Bank in Sydney. Prior to working with Deutsche Bank, Justin was principal counsel in the institutional markets and investment division of National Australia Bank. Justin also practised for a number of years in the mergers and acquisitions team of Mallesons Stephen Jaques (now King & Wood Mallesons).

Meetings of Directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendance by each director during the year was as follows:

	Directors' Meetings (N°)	
	Meetings eligible to attend	Meetings Attended
Malcom McAully	12	12
Michael Cooper	12	12
Alexander Beard	2	2
Ken Fleming	12	11
Robert Johnston	5	5
Rohan Boman	5	4

Remuneration of Directors and Senior Management

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

Review of Operations and Principal Activities

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

Operating Results

The profit/(loss) after tax of the Group for the financial year attributable to the members of Pure Foods Tasmania Limited was ($196,480) (2019: $322,158).

State of Affairs and Likely Developments

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

Events Subsequent to Balance Date

On 9 September Pure Foods Tasmania announced it has agreed to buy the business and assets of Daly Potato Company Pty Ltd for $1.8m with a mixture of cash and shares, subject to working capital requirements. Pure Foods Tasmania has signed a binding Heads of Agreement, subject to a number of conditions including final due diligence, entering into a potato supply agreement and customary conditions.

Other than the matter detailed above, there were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group and the results of those operations or the state of the affairs of the Group in the financial period subsequent to 30 June 2020.

Wineglass Bay, Freycinet National Park

Remuneration Report

Remuneration Policy

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

- The remuneration policy is to be developed by the remuneration committee and approved by the Board after professional advice is sought from independent external consultants:
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators (KPIs) have been met.
- Incentives paid in the form of options or rights are intended to align the interests of the directors and company with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The 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 biannually with each executive and is based predominantly on the forecast growth of the Consolidated Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP receive, at a minimum, a superannuation guarantee contribution required by the government, which is currently 9.5% of the individual's average weekly ordinary time earnings (AWOTE). Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

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

Performance-based Remuneration

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

Performance Conditions Linked to Remuneration

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

Employment Details of Members of Key Management Personnel

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

The KMP of the Group for the year ended 30 June 2020 were:

- **Malcom McAully** - Non-Executive Chairman
Appointed 01/09/2017
- **Michael Cooper** - Managing Director
Appointed 01/09/2017
- **Alexander Beard** - Non-Executive Director
Appointed 01/05/2020
- **Ken Fleming** - Non-Executive Director
29/07/2015
- **Robert Johnston** - Non-Executive Director
Appointed 01/09/2015
- **Rohan Boman** - Non-Executive Director
Appointed 01/09/2015.

Mr Johnston and Mr Boman did not seek re-election at the Annual General meeting In November 2019.

Remuneration Expense Details for the Year Ended 30 June 2020

KMP	Year Paid	Salary, fees and leave $	Pension and superannuation $	Shares/units $	Total $
Executive					
Michael Cooper	2020	233,513	20,881	3,750	258,144
	2019	57,592	5,097	7,500	70,189
Non-executive					
Malcom McAully	2020	14,585	1,385	9,374	25,344
	2019	7,500	713	12,500	20,713
Alexander Beard	2020	6,000	570	-	6,570
	2019	-	-	-	-
Ken Fleming	2020	12,250	1,164	5,624	19,038
	2019	7,500	713	7,500	15,713
Robert Johnston	2020	3,125	297	3,125	6,547
	2019	7,500	713	7,500	15,713
Rohan Boman	2020	3,125	297	3,125	6,547
	2019	7,500	713	7,500	15,713
Total KMP	**2020**	**272,598**	**24,594**	**24,998**	**322,190**
	2019	**87,592**	**7,949**	**42,500**	**138,041**

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.

Cash Bonuses, Performance-related Bonuses and Share-based Payments

The terms and conditions relating to options and bonuses granted as remuneration during the year to KMP are as follows:

	Grant Date	Number Granted	Percentage vested/paid during the year	Percentage forfeited during the year	Percentage remaining as unvested	Expiry date for vesting or payment	Percentage of Grant forfeited
Michael Cooper	28/04/2020	1,300,000	-	-	100	30/04/2023	-
Malcom McAully	28/04/2020	500,000	-	-	100	30/04/2023	-
Alexander Beard	28/04/2020	500,000	-	-	100	30/04/2023	-
Ken Fleming	28/04/2020	500,000	-	-	100	30/04/2023	-
Robert Johnston	-	-	-	-	-	-	-
Rohan Boman	-	-	-	-	-	-	-
Total		**2,800,000**					

KMP Shareholdings

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

KMP	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Malcom McAully	184,115	5,859	-	1,331264	1,521,238
Michael Cooper	179,269	2,344	-	1,976,764	2,158,377
Alexander Beard	-	-	-	1,000,000	1,000,000
Ken Fleming	195,769	3,515	-	1,396,505	1,595,789
Robert Johnston	192,269	1,953	-	1,136,033	1,330,255
Rohan Boman	116,769	1,953	-	631,958	750,680

Other Equity-related KMP Transactions

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

Other Transactions with KMP and/or their Related Parties

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

Directors' Authorisation

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

M. J. McAully

Malcolm McAully
Non-Executive Chairman

Dated: 24/09/2020

Auditor's Independence Declaration

WLF ACCOUNTING & ADVISORY

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

i. the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Nick Carter
Partner

Wise Lord & Ferguson

Dated: 24 September 2020.

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2020

	Note	2020	2019
		$	$
Revenue from operations	6	4,279,764	3,789,405
Other income		255,041	30,203
Cost of goods sold	7	2,992,479	2,478,721
Employment expenses		673,732	600,736
Occupancy, electricity & telephone costs		127,677	156,598
Bad debts		30,129	3,023
Depreciation and amortisation		193,087	94,991
Impairment loss		-	334,000
ASX listing fees and expenses		193,861	-
Finance costs		46,644	42,988
Insurance		81,292	81,955
Legal and professional fees		129,365	69,858
Marketing expenses		33,476	40,045
Motor vehicle expenses		20,090	30,401
Repairs and maintenance		65,905	31,705
Research, development & quality		37,300	30,785
Other expenses		106,248	145,960
Net profit/(loss) before income tax		**(196,480)**	**(322,158)**
Income tax benefit/(expense)	8	(6,924)	164,283
Net Profit/(Loss) after tax for the year		(203,404)	(157,875)
Other comprehensive income			
Other comprehensive loss net of tax		-	-
Total comprehensive income		**(203,404)**	**(157,875)**
Net profit for the period attributable to:			
Non-controlling interest		-	-
Owners of Pure Foods Tasmania Limited		(203,404)	(157,875)
		(203,404)	**(157,875)**
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	-
Owners of Pure Foods Tasmania Limited		(203,404)	(157,875)
		(203,404)	**(157,875)**
Basic loss per share (cents per share)	4	(0.002)	(0.089)
Diluted loss per share (cents per share)	4	(0.002)	(0.089)

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

Statement of Financial Position

As at 30 June 2020

	Note	2020	2019
		$	$
Current Assets			
Cash and cash equivalents	19	4,134,867	1,388,806
Trade and other receivables	9	482,929	424,208
Inventory	10	312,965	181,135
Other assets		147,244	63,324
Total Current Assets		**5,078,005**	**2,057,473**
Non-Current Assets			
Property, plant and equipment	11	1,310,986	556,436
Right of use assets	12	430,941	-
Intangible assets	13	738,837	782,402
Deferred tax assets	8	380,300	173,920
Total Non-Current Assets		2,861,064	1,512,758
Total Assets		**7,939,069**	**3,570,231**
Current Liabilities			
Trade and other payables	14	541,251	397,792
Lease Liabilities	12	89,107	-
Provisions	15	85,732	97,780
Borrowings	16	164,165	47,496
Total Current Liabilities		**880,255**	**543,068**
Non-Current Liabilities			
Lease Liabilities	12	356,224	-
Provisions	15	20,749	5,448
Borrowings	16	419,156	147,903
Deferred tax liabilities	8	222,942	9,637
Total Non-Current Liabilities		**1,019,071**	**162,988**
Total Liabilities		**1,899,236**	**706,056**
Net Assets		**6,039,743**	**2,864,175**
Equity			
Contributed Equity		6,872,110	3,535,898
Accumulated Profits/(Losses)		(832,367)	(671,723)
Total Equity		**6,039,743**	**2,864,175**

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

Statement of Changes in Equity

For the year ended 30 June 2020

	Contributed Equity	Accumulated Profits/(Losses)	Total
	$	$	$
At 1 July 2018	3,541,398	(513,848)	3,027,550
Loss for the year	-	(157,875)	(157,875)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	3,541,398	(671,723)	2,869,675
Share issue costs	(5,500)	-	(5,500)
As at 30 June 2019	**3,535,898**	**(671,723)**	**2,864,175**
At 1 July 2019	3,535,898	(671,723)	2,864,175
Loss for the year	-	(203,404)	(203,404)
Other comprehensive income	-	-	-
Total comprehensive income for the year	3,535,898	(875,127)	2,660,771
Issue of shares	4,043,498	-	4,043,498
Share issue costs	(707,286)	-	(707,286)
Reverse listing	-	42,760	42,760
As at 30 June 2020	**6,872,110**	**(832,367)**	**6,039,743**

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

Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020	2019
		$	$
Cash flows from operating activities			
Receipts from customers		4,457,757	3,732,404
Payments to suppliers and employees		(4,482,374)	(3,625,728)
Interest received		18,327	589
Finance costs		(21,182)	(37,845)
Income taxes received/paid		-	-
Net cash used in operating activities	**19**	**(27,469)**	**69,420**
Cash flows from investing activities			
Payments for property, plant and equipment		(866,613)	(35,403)
Net cash used in investing activities		**(866,613)**	**(35,403)**
Cash flows from financing activities			
Proceeds from issue of shares		3,298,661	1,606,400
Proceeds from borrowings		(387,922)	(346,734)
Principle elements for lease payments		(46,440)	-
Net cash provided by financing activities		**3,640,143**	**1,259,666**
Net (decrease)/increase in cash held		2,746,061	1,293,683
Cash and cash equivalents at the beginning of the year		1,388,806	95,123
Cash and cash equivalents at the end of the year	**19**	**4,134,867**	**1,388,806**

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

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1. General Information

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

Note 2. Significant Changes in the Current Reporting Period

On 30 April 2020, Pure Foods Tasmania Pty Ltd listed on the ASX via a reverse acquisition of Bunji Corporation Limited.

Note 3. Segment Information

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

- Tasmanian Pate segment
- Woodbridge Smokehouse segment
- The Corporate and other segment, which comprises corporate costs that are not directly attributable to the operational business units.

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

Consolidated 2020	Tasmanian Pate	Woodbridge Smokehouse	Corporate and other	Total
	$	$	$	$
Revenue				
Total segment sales	3,190,689	1,089,075		4,279,764
Other income	153,462	34,874	66,705	255,041
Segment profit/(loss)	682,450	(128,875)	(750,055)	(196,480)
Profit/(loss) before income tax				(196,480)
Income tax (expense)/benefit				(6,924)
Profit/(loss) after income tax				**(203,404)**
Assets				
Segment assets	3,327,821	709,102	3,902,146	7,939,069
Total Assets	**3,327,821**	**709,102**	**3,902,146**	**7,939,069**
Liabilities				
Segment liabilities	1,119,161	2,331,584	(1,551,509)	1,899,236
Total liabilities	**1,119,161**	**2,331,584**	**(1,551,509)**	**1,899,236**

Note 3: Segment Information continued...

Consolidated 2019	Tasmanian Pate	Woodbridge Smokehouse	Corporate and other	Total
	$	$	$	$
Revenue				
Total segment sales	2,630,606	1,158,799	-	3,789,405
Other income	-	28,737	1,466	30,203
	2,630,606	**1,187,536**	**1,466**	**3,819,608**
Segment profit/(loss)	404,866	(441,779)	(285,245)	(322,158)
Profit/(loss) before income tax				(322,158)
Income tax (expense)/benefit				164,283
Profit/(loss) after income tax				**(157,875)**
Assets				
Segment assets	2,167,699	761,668	640,864	3,570,231
Total Assets	**2,167,699**	**761,668**	**640,864**	**3,570,231**
Liabilities				
Segment liabilities	641,484	2,255,275	(2,190,703)	706,056
Total liabilities	**641,484**	**2,255,275**	**(2,190,703)**	**706,056**

Note 4. Earnings Per Share

$	2020	2019
Basic earnings per share	(0.002)	(0.089)
Diluted earnings per share	(0.002)	(0.089)
Basic		
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share.	44,406,577	2,911,391
Diluted		
Weighted average number of ordinary shares and convertible redeemable preference shares outstanding and performance rights during the period used in the calculation of basic earnings per share.	44,406,577	2,911,391

Note 5. Dividends to Shareholders

No dividends have been paid or declared during the year ended 30 June 2020 (30 June 2019: nil).

Note 6. Revenue

Revenue from continuing operations	2020	2019
	$	$
Sales	4,279,764	3,789,405
Other Income		
Interest received	18,327	589
Sundry income	6,178	4,600
Subsidies and grants	230,536	25,014
	4,534,805	3,819,608

Recognition and Measurement

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

Delivery occurs when the products have been shipped to the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products, the acceptance provisions have lapsed, or the Group has objective evidence that all the criteria for acceptance have been satisfied.

All revenue is stated net of the amount of goods and services tax (GST) where applicable.

Interest Revenue

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

Note 7. Expenses

Profit before income tax expense includes the following expenses:	2020	2019
	$	$
Cost of goods sold	2,992,479	2,478,721
Salaries and wages	520,601	451,785
Share based payments	37,551	42,498
Total	**3,550,631**	**2,973,004**

Note 8. Income Tax Expense

Income tax recognised in profit or loss:	2020	2019
	$	$
Tax expense/(benefit) comprises:		
Current tax (benefit)/expense	-	-
Deferred tax movements	6,924	(164,283)
	6,924	**(164,283)**

Deferred income tax (benefit)/expenses included in income tax expense comprises:	2020	2019
	$	$
(Increase)/decrease in deferred tax assets	(206,381)	(173,920)
Increase/(decrease) in deferred tax liabilities	213,305	9,637
	6,924	**(164,283)**

Reconciliation of income tax expenses to prima facie tax on accounting profit:	2020	2019
	$	$
Profit/(loss) before income tax expense	(196,480)	11,842
Tax at 27.5% tax rate	(54,032)	3,257
Tax effect of amounts which are not deductable	(28,423)	60
Initial recognition of deferred tax	-	(167,600)
Listing costs recognised in equity	(23,072)	-
Reset cost bases due to consolidation	112,451	-
	(6,924)	**(164,283)**

Note 8: Income Tax Expense continued...

Deferred tax	Opening balance	Charged to income	Charged to equity	Closing balance
	$	$	$	$
Gross deferred tax assets:				
Provisions	28,389	895	-	29,284
Trade and other payables	3,730	(3,730)	-	0
Accruals	9,054	(1,746)	-	7,308
Right of use leases	-	3,957	-	3,957
Share issue expenses	-	23,731	-	23,731
Tax losses	132,747	183,273	-	316,020
	173,920	**206,380**	**-**	**380,300**
Gross deferred tax liabilities				
Prepayments	9,637	2,604	-	12,241
Fixed assets	-	105,140	-	105,140
Trading Stock	-	18,541	-	18,541
Goodwill & Trademarks	-	87,020	-	87,020
Net deferred tax asset (liability)	**9,637**	**213,305**		**222,942**

	2020	2019
Tax losses	-	-
Unused tax losses for which no deferred tax asset has been recognised:	-	-

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

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

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

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

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

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

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

Tax Consolidation

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

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

Note 9. Trade and Other Receivables

	2020	2019
	$	$
Trade receivables	482,929	422,998
Less loss allowance	-	-
Other receivables	-	1,210
	482,929	**424,208**

Loss Allowance	2020	2019
	$	$
Movements in loss allowance are as follows:		
Carrying value at beginning of the year	-	-
Increase/(decrease) in loss allowance	29,269	3,023
Receivables written off as uncollectable	(29,269)	(3,023)
Unused amount reversed	-	-
	-	**-**

Trade receivables past due but not impaired	2020	2019
	$	$
Under one month	323,490	353,939
One to three months	151,290	34,372
Over three months	8,149	35,897
	482,929	**424,208**

Note 9: Trade and Other Receivables continued...

Recognition and Measurement

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2020 is determined as follows; the expected credit losses also incorporate forward-looking information.

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

$	Current	30 days	60 days	90+ days	Total
30 June 2020					
Expected loss rate	0%	0%	0%	0%	
Trade receivables Gross carrying amount	323,490	68,971	82,319	8,149	482,929
Loss allowance	-	-	-	-	-
30 June 2019					
Expected loss rate	0%	0%	0%	0%	
Trade receivables Gross carrying amount	353,939	13,186	21,186	35,897	424,208
Loss allowance	-	-	-	-	-

Fair Value of Trade and Other Receivables

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

Credit Risk

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

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

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

Note 10. Inventory

	2020	2019
	$	$
Stock on hand	312,965	181,135
	312,965	**181,135**

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.

Note 11. Property, Plant and Equipment

	2020	2019
	$	$
Buildings at cost	876,794	326,583
Less accumulated depreciation	(37,145)	(18,548)
	839,649	308,035
Plant and equipment at cost	940,933	624,541
Less accumulated depreciation	(469,596)	(376,140)
	471,337	248,401
Total property, plant and equipment	**1,310,986**	**556,436**

Note 11: Property, Plant and Equipment continued...

Reconciliations

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

Carrying Value	Buildings at cost	Plant & equipment at cost	Total
	$	$	$
As at 1 July 2018	325,074	328,984	654,058
Additions	1,508	6,258	7,766
Disposals	(10,397)	-	(10,397)
Depreciation expense	(8,150)	(86,841)	(94,991)
Balance as at 30 June 2019	**308,035**	**248,401**	**556,436**
As at 1 July 2019	308,035	248,401	556,436
Additions	550,211	316,402	866,613
Disposals	-	-	-
Depreciation expense	(18,597)	(93,466)	(112,063)
Balance as at 30 June 2020	**839,649**	**471,337**	**1,310,986**

Recognition and Measurement

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

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

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	5–33%

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

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

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

Note 12. Right of Use Assets and Lease Liabilities

Right of Use Assets

	2020	1 July 2019
	$	$
Buildings	430,941	511,965
Total right of use assets	**430,941**	**511,965**

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

Carrying Value	Buildings	Total
	$	$
As at 1 July 2019	511,965	511,695
Additions	-	-
Depreciation expense	(81,024)	(81,024)
Balance as at 30 June 2020	**430,941**	**430,941**

Lease Liabilities

	2020	1 July 2019
	$	$
Current	89,107	80,688
Non-current	356,224	321,998
Total	**445,331**	**402,686**

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

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

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

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

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Note 13. Intangible Assets

	2020	2019
	$	$
Intangibles	738,837	782,402
	738,837	**782,402**

Carrying value	Total
	$
As at 1 July 2019	782,402
Additions	-
Disposal	(43,565)
Balance as at 30 June 2020	**738,837**

Goodwill relates to the acquisition of the assets of Tasmanian Pate and the Woodbridge Smokehouse.

Recognition and measurement

Goodwill

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

- the consideration transferred at fair value;
- any non-controlling interest (determined under either the fair value or proportionate interest method); and
- the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

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

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139: Financial Instruments: Recognition and Measurement, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

Impairment losses for goodwill are not subsequently reversed.

Recoverable Amount of Goodwill

Impairment testing has been undertaken at 30 June 2020 for all groups of cash generating units (CGU) for goodwill or where there is an indication of impairment. The Group has two CGU's for which impairment testing has been completed for goodwill which are as follows (note in 2019 the Woodbridge Smokehouse was fully impaired hence no testing required in 2020 for this CGU).

Tasmanian Pate CGU

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

	Growth Rate	Discount Rate
Tasmanian Pate	3%	9.00%

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

Note 14. Trade and other Liabilities

	2020	2019
	$	$
Trade and other payables	541,251	397,792
	541,251	**397,792**

Recognition and Measurement

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

Note 15. Provisions

	2020	2019
	$	$
Current		
Employee benefits	85,732	97,780
	85,732	**97,780**
Non-current		
Employee benefits	20,749	5,448
	20,749	**5,448**

Recognition and Measurement

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

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

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

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

Note 16. Borrowings

	2020	2019
	$	$
Current		
Borrowings	164,165	47,496
	164,165	**47,496**
Non-current		
Borrowings	419,156	147,903
	419,156	**147,903**

Note 17. Backdoor Listing

The Company entered into a Share Sale Agreement and Ancillary SSA's with the shareholders of Pure Foods Tasmania Pty Ltd to acquire 100% of the issued capital in Pure Foods Tasmania Pty Ltd. The Share Sale Agreement and Ancillary SSAs were completed contemporaneously. Under the Share Sale Agreement and Ancillary SSA's, the Company acquired all of the issued shares in Pure Foods Tasmania Pty Ltd in consideration for the issue of 23,500,000 new Company shares and 6,000,000 options, each with an exercise price of $0.30 and expiring on 8 November 2021 to the Pure Foods Tasmania vendors.

As part of the acquisition and to implement a more appropriate capital structure for the Company moving forward, Shareholders at the Annual General meeting approved the consolidation of the Company's issued capital on a 10 to 1 basis, and the cancellation of 46,043,213 Advisor Shares which were issued to Otsana Nominees as part of the recapitalisation proposal. The Otsana Nominees separately approved the cancellation of these Advisor Shares at a meeting on 30 January 2020.

Following an extraordinary general meeting conducted on 30 April 2020 and relevant capital transactions completed on 30 April 2020, the Company issued 23,500,000 million ordinary shares and 6,000,000 million options (on a post-consolidation basis) to the vendors of Pure Foods Tasmania in consideration for

Note 17: Back Door Listing continued...

the acquisition of 100% of the issued share capital in Pure Foods Tasmania. In addition, the Company issued another 17,500,000 million ordinary shares to raise $3.5 million capital.

With nominal assets, Bunji Corporation Limited (the Company) acted as a non-operating public shell in the Capital Transaction. Under Australian Accounting Standards, the acquisition is accounted for as a continuation of Pure Foods Tasmania Pty Ltd which has become a listed company by exchanging equity interest with Bunji Corporation Limited. Based on the Capital Transaction, Pure Foods Tasmania Pty Ltd would have had to issue 107,472 shares to give Bunji Corporation vendors the same percentage equity interest in the new group. The deemed shares are recognised as a share-based payment expense.

Apart from the deemed shares, as part of the backdoor listing, Pure Foods Tasmania Pty Ltd took over the monetary assets/(liabilities) transferred from Bunji Limited as at the transaction date as follows:

Details	$
Cash	3,657,577
Prepayments	29,558
Loans and payables	(969,376)
Net monetary assets	**2,717,759**

Note 18. Issued Capital

	2020		2019	
	Nº of shares	$	Nº of shares	$
Fully paid ordinary shares (post-consolidation)	44,406,577	6,872,110	2,911,391	3,535,898

Movements in Ordinary Share Capital

Date	Details	Ordinary Shares	Price ($)
1 July 2019	Balance at beginning of period	2,911,391	3,535,898
	Issue of shares	41,495,186	4,043,498
	Issue costs	-	(707,286)
		44,406,577	**6,872,110**

Terms and Conditions of Issued Capital

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

Share options and performance rights

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

There were 12,800,000 share options issued as at 30 June 2020.

	Number of Options	
	2020	2019
	$	$
Movement in options:		
Balance at beginning of year	-	-
Options granted to raise capital	4,120,000	-
Options issued	-	-
Balance at end of year	4,120,000	-

Recognition and Measurement

Ordinary shares are classified as equity, with ordinary share capital being recognised at fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the shares proceeds received. Ordinary share capital bears to special terms of conditions affecting income or capital entitlements of the shareholders.

Note 19. Cash flow reconciliation

	2020	2019
	$	$
Cash and cash equivalents	4,134,867	1,388,806
	4,134,867	1,388,806

Recognition and Measurement

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

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

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

	2020	2019
	$	$
Profit/(loss) after tax	(203,404)	(157,875)
Adjustments for non-cash items		
Depreciation	193,087	94,991
Share based payment	37,551	42, 498
Interest on leased assets	23,220	-
Impairment of goodwill	-	324,000
Changes in assets/liabilities		
(Increase)/Decrease in trade & other receivables	(99,729)	(86,615)
(Increase)/Decrease in inventories	(131,830)	(29,482)
(Increase)/Decrease in deferred taxes	6,924	(164,283)
Increase/(Decrease) in trade payables & other liabilities	146,712	36,186
Net Cash provided by (used in) Operating Activities	**(27,469)**	**69,420**

Note 20. Financial Risk Management

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

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

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

The Board reviews and agrees policies for managing each of these risks as summarised in the following.

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

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

Recognition and Measurement

Classification

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

Note 20: Financial Risk Management continued...

Financial Assets at Fair Value Through Profit or Loss

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

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

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

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

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

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

Loans and Receivables

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

Financial Liabilities

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

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

Risk Exposures and Responses

Interest Rate Risk

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

	2020	2019
	$	$
Financial assets	482,929	424,208
Cash and cash equivalents	4,134,867	1,388,806
Net exposure	**4,617,796**	**1,813,014**

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

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

At 30 June 2020, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

	2020	2019
	$	$
Judgements of reasonably possible movements		
+ 0.5% (50 basis points)	20,673	6,944
0.5% (50 basis points)	(20,673)	(6,944)

Liquidity Risk

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

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

Note 20: Financial Risk Management continued...

Credit Risk

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

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

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

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

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

Fair Value

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

Note 21. Capital Management

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

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

Note 22. Parent Entity Information

	2020	2019
	$	$
Financial Position		
Current assets	3,630,677	1,234,147
Non-current assets	1,548,051	1,552,828
Total assets	**5,680,484**	**2,786,975**
Current liabilities	61,994	64,158
Non-current liabilities	3,444,125	-
Total liabilities	**3,506,119**	**64,158**
Net assets	**2,174,365**	**2,722,817**
Contributed equity	2,174,365	2,722,817
Financial Performance		
Total revenue	159,620	93,768
Profit/(loss) for the period	**(487,294)**	**(280,586)**

Capital Commitments

There were no non-cancellable capital expenditure contracted for but not in the financial statements.

Contingent Liabilities

Pure Foods Tasmania Limited is not subject to any liabilities that are considered contingent upon events known at balance sheet date.

Note 23. Subsidiaries

		Equity Holding	
Entity	Country of Incorporation	2020	2019
PFT Holdings Pty Ltd	Australia	100%	100%
PFT No 1 Pty Ltd	Australia	100%	100%
PFT No 2 Pty Ltd	Australia	100%	100%
PFT No 3 Pty Ltd	Australia	100%	100%

Note 24. Contingent Liabilities and Assets

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

Note 20: Financial Risk Management continued...

Note 25. Commitments for Expenditure

Capital Commitments – Capital Expenditure Projects.
There were no non-cancellable capital expenditure contracted for but not in the financial statements.

Other Commitments – Operating Expenditure.
Operating expenditure contracted but not included in the financial statements:

Payable		2020	2019
-	Not longer than one year	-	-
-	longer than one year but no longer than five years	-	-
-	Longer than five years	-	-
		-	**-**

Note 26. Events Occurring After Balance Date

On 9 September Pure Foods Tasmania announced it has agreed to buy the business and assets of Daly Potato Company Pty Ltd for $1.8m with a mixture of cash and shares, subject to working capital requirements. Pure Foods Tasmania has signed a binding Heads of Agreement, subject to a number of conditions including final due diligence, entering into a potato supply agreement and customary conditions.

Other than the matter detailed above, the Board is not aware of any matter or circumstance not otherwise dealt within these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Note 27. Related Party Transactions

Key Management Personnel Compensation

The aggregate compensation of the key management personnel of the entity is set out below:

	2020	2019
	$	$
Short term benefits	233,513	57,592
Post-employment benefits	20,881	5,097
Share based payment	3,750	7,500
	258,144	**70,189**

Transactions with Related Parties
The Group acquired the following goods and services as follows:

	2020	2019
	$	$
Ken Fleming for consultancy services	25,000	-
	25,000	**-**

Note 28. Auditor's Remuneration

	2020	2019
	$	$
Auditors of the parent entity	18,000	8,000
Other assurance services	-	-
	18,000	**8,000**

Note 29. Employee Securities Incentive Plan

The Company has adopted an Employee Securities Incentive Plan (Plan), to commence upon Admission. The Plan may be inspected at the registered office of the Company during normal business hours. The purpose of the Plan is to:

i. assist in the reward, retention and motivation of Eligible Participants;
ii. link the reward of Eligible Participants to Shareholder value creation; and
iii. align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

Eligible Participant' means a person that:

i. is an 'eligible participant' (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an 'Associated Body Corporate' (as that term is defined in ASIC Class Order 14/1000); and
ii. has been determined by the Board to be eligible to participate in the Plan from time to time.

Directors are 'Eligible Participants'. Any issue of Securities to Directors under the Plan will be subject to the receipt of prior Shareholder approval.

Plan Administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

Note 29: Employee Securities Incentive Plan continued...

There are no options for performance rights of the Company, held directly, indirectly or beneficially, by each Director and key management personnel, outstanding as at 30 June 2020.

Share Options Granted

Share options outstanding at 30 June 2020 are as follows:

Grant date	Expiry date	Exercise price ($)	Balance at start of year	Granted	Exercised	Expired	Balance at end of year
18/11/2018	28/04/2023	0.40	-	-	-	-	2,800,000
28/04/2020	08/11/2021	0.30	-	-	-	-	10,000,000
							12,800,000

The options hold no voting or dividend rights and are not transferable.

In addition to the above, as at 30 June 2020 the Company entered into a Managing Director Executive Services Agreement. The following incentives were in place as at 30 June 2020:

- Short term incentive plan: an amount equal to $33,530 if the Company achieved consolidated earnings before interest, tax, depreciation, and amortisation (EBITDA) of $607,601 or more for the financial year ending 30 June 2020, plus if EBITDA for the financial year ending 30 June 2020 is between:
    - $670,602 and $700,000: an additional payment of $2,939;
    - $700,001 and $800,000: an additional payment of $15,879;
    - $800,001 and $900,000: an additional payment of $35,879; or
    - $900,001 and $1,000,000: an additional payment of $55,879.
- Long term incentive plan: participation in the plan and receipt of 1,300,000 incentive options (included as part of share options granted in the table above).

Recognition and measurement

The Group provides benefits to the Directors and the Chief Executive Officer in the form of share-based payment, whereby services are rendered in exchange for rights over shares (performance rights) or options.

The fair value of the performance rights and options is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the performance rights or options granted.

The total expense is recognised over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

Note 30. Summary of Significant Accounting Policies

A. Basis of Preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001, as appropriate for profit oriented entities.

The financial statements cover the Company and its controlled entities as a group for the financial year ended 30 June 2020. The Company is a company limited by shares, incorporated and domiciled in Australia.

Separate financial statements for the Company as an individual entity are no longer presented as a consequence of a change to the Corporations Act 2001, however limited financial information for the Company as an individual entity is included in Note 22.

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

B. Compliance with IFRS

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

C. Historical Cost Convention

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

D. Principles of Consolidation

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

- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Details of the controlled entities are contained in Note 23.

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

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

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

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

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

The areas involving significant estimates or judgements are:

- Estimated value in use calculations for the assessment of the recoverable amount of goodwill.

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

E. Comparatives

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

F. New and Amending Accounting Standards and Interpretations Adopted

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2019:

- AASB 16 Leases

The Group was required to change its accounting policies as a result of adopting AASB 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 4.5 per cent.

	2019
	$
Measurement of lease liabilities:	
Operating lease commitments 30 June 2019	455,338
Discounted using the lessee's incremental borrowing rate at the date of initial application	52,652
Lease liability recognised as a1 July 2019	**402,686**

G. New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods and have not yet been adopted by the Group. There are no standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Directors' Declaration

For the year ended 30 June 2020

In accordance with a resolution of the directors of Pure Foods Tasmania Limited, the directors of the Company declare that:

The financial statements and notes, as set out on pages 31 to 51, are in accordance with the Corporations Act 2001 and:

a. Comply with Australian Accounting Standards applicable to the Consolidated Group, which, as stated in the accounting policies to the financial statements, constitutes compliance with International Financial Reporting Standards; and
b. Give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Consolidated Group.

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

The directors have been given the declaration required by section 295A of the Corporations Act 2001 from the Chief Executive Officer for the financial year ended 30 June 2020.

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

Michael Cooper
Managing Director

Dated: 24/09/2020


CROWN

Independent Audit Report

For the year ended 30 June 2020

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

Opinion

We have audited the financial report of Pure Foods Tasmania Limited (the Company and its controlled entities (the Group)), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

i. giving a true and fair view of the consolidated financial position of the company as at 30 June 2020 and of its consolidated financial performance for the year then ended on that date; and

ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for 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 company 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 Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial report for the year ended 30 June 2020. These matters were addressed in the context of our audit of the financial report as a whole, and forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Goodwill

Refer Note 13 in the Financial Report

The Group holds intangible assets totalling $738,837 as at 30 June 2020. Under Australian Accounting Standards, the Group is required to assess goodwill for impairment at least annually.

The Group performed an impairment assessment for the Tasmanian Pate cash generating unit (CGU), calculating the value in use of the net assets in the CGU.

The valuation model used by the Group to perform the impairment assessment are based on budget forecasts.

The Group did not identify any impairment for the CGU.

How our Audit Addressed the Key Audit Matter

We assessed whether the Group's determination of CGU was consistent with our understanding of the nature of the Group's operations and internal Group reporting. We assessed management's conclusions around allocating Tasmanian Pate as a CGU.

We tested the mathematical accuracy and integrity of the calculation in the model.

To evaluate the model we performed the following procedures, amongst others:

- Compared model inputs to the FY21 budget;
- Assessed historical performance of the CGU; and
- Assessed forecast growth assumptions.

We assessed the discount rate used in the impairment assessment by comparing to comparable companies.

We performed sensitivity analysis which highlighted that the Tasmanian Pate CGU is sensitivity to changes in key assumptions. We recalculated the change in growth rates and discount rates which would result in an impairment and also evaluated the adequacy of the disclosures in note 13 in light of the requirements of Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the 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 ability of the company 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 company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

Report on the Remuneration Report

We have audited the remuneration report included in pages 6 to 10 of the directors' report for the year ended 30 June 2020.

In our opinion, the remuneration report of Pure Foods Tasmania Limited 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 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.

Nick Carter
Partner

Wise Lord & Ferguson

Dated:
24 September 2020.

Pool of Bethesda, Walls of Jerusalem National Park

Shareholder Information

1. Distribution of Equity Securities

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

Holding Range	Holders	Total Units	% Issued Share Capital
Above 0 up to and including 1,000	4,974	33,698	0.07
Above 1,000 up to and including 5,000	112	382,668	0.78
Above 5,000 up to and including 10,000	112	993,978	2.03
Above 10,000 up to and including 100,000	205	7,301,521	14.89
Above 100,000	87	40,308,543	82.23
Totals	**5,490**	**49,020,408**	**100.00%**

2. Equity Security Holders

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

Position	Shareholder Name	Holding	% Issued Share Capital
1	Ilwella Pty Ltd & Maximus Flannery Pty Ltd <Finco Investment A/C>	2,500,000	5.10
2	Willar Pty Ltd <Willar Family A/C> & WLHAM Pty Ltd <Juicy Isle Directors S/F A/C>	2,158,377	4.40
3	Quality Life Pty Ltd <The Neill Family A/C>	1,881,789	3.84
4	Mr T T B Lewis & Mrs C A Lewis <J G Lewis No2 Will A/C>	1,814,751	3.76
4	Radiata Investments Pty Ltd <Rudie Sypkes Family A/C>	1,841,751	3.76
5	JAF Capital Pty Ltd	1,772,500	3.62
6	Krisami Investments Pty Ltd	1,650,000	3.37
7	Rottcodd Pty Ltd <Rottcodd S/F A/C>	1,595,789	3.26
8	BFADM Pty Ltd	1,521,238	3.10
9	Fairisle Holdings Pty Limited <The Tilanbi A/C>	1,401,332	2.86
10	Bensam Investments Pty Ltd <Robert Johnston Family A/C>	1,330,255	2.71
11	Sanlam Private Wealth Pty Ltd <Westbourne Long Short A/C>	1,250,000	2.55
12	Suetone Pty Ltd <The AK Shadforth Family A/C>	1,110,990	2.27
13	Mr Craig McCourtie <Craig McCourtie Family A/C>	1,000,952	2.04
14	Clement Holdings Pty Ltd <Calculus A/C>	1,000,951	2.04
15	Mr A D Beard & Mrs M P Beard <AD & MP Beard S/F A/C>	1,000,000	2.04
16	ACN 122 201 110 Pty Ltd <Carpetworld Super Fund A/C>	840,799	1.72
16	Kore Management Services Pty Ltd <Cuthbertson Super Fund A/C>	840,799	1.72
17	Boman Asset Pty Ltd	750,680	1.53
18	Mr Bin Liu	740,000	1.51
19	Blamnco Trading Pty Ltd	700,000	1.43
20	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	645,019	1.32
Totals		**29,374,972**	**59.92**
Total Issued Capital		**49,020,408**	**100.00**

3. Voting Rights

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

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

4. Use Of Cash

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

Corporate Directory

Board of Directors

Malcolm McAully
Non-Executive Chairman

Michael Cooper
Managing Director and CEO

Alexander "Sandy" Beard
Non-Executive Director

Ken Fleming
Non-Executive Director

Justin Hill
Company Secretary

Registered Office

2/179 Murray Street
Hobart Tasmania 7000 Australia

Postal Address
100-104 Morninton Road
Mornington, Tasmania 7018
Australia

Share Registry

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

Solicitors

Page Seager
2/179 Murray Street
Hobart Tasmania 7000 Australia

Groom Kennedy Lawyers and Advisers
Level 1 47 Sandy Bay Road
Hobart Tasmania 7000 Australia

Corporate Office

100-104 Mornington Road
Mornington, Tasmania 7018

Tel: +61 (3) 6231 4233

Auditor

Wise Lord & Ferguson
160 Collins Street
Hobart Tasmania 7000 Australia

Stock Exchange Listing

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

Bankers

National Australia Bank

Company Website

www.purefoodstas.com

Investor & Media Relations

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