Jatcorp Limited and its controlled entities
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Jatcorp Limited
ABN:	31 122 826 242
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

	2024 $	2023 $	Change $	Change %
Revenue from ordinary activities - continuing operations	52,458,754	36,877,463	15,581,291	42%
Revenue from ordinary activities - discontinuing operations	23,137,267	21,652,782	1,484,485	7%
Profit/(loss) after tax from ordinary activities attributable to the owners of Jatcorp Limited - continuing operations	2,262,593	(2,563,333)	4,825,926	N/A
Loss after tax from ordinary activities attributable to the owners of Jatcorp Limited - discontinuing operations	(42,974)	(1,912,752)	1,869,778	(98%)
Profit/(loss) for the year attributable to the owners of Jatcorp Limited	2,219,619	(4,476,085)	6,695,704	N/A

	2024 Cents	2023 Cents
Basic earnings/(loss) per share	2.67	(5.38)
Diluted earnings/(loss) per share	2.67	(5.38)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The profit for the Group after providing for income tax and non-controlling interest amounted to $2,219,619 (30 June 2023: loss of $4,476,085).

Refer to accompanying FY24 ASX announcement for further commentary on operations and results.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	9.766	9.273

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Jatcorp Limited for the year ended 30 June 2024 is attached.

12. Signed

Signed ______________________________ Date: 29 August 2024

Sunny Jian Xin Liang
Chief Executive Officer and Executive Director
Sydney

Jatcorp Limited and its controlled entities

ABN 31 122 826 242

Full-Year Financial Report Year ended 30 June 2024

To our Shareholders,

FY2024 has been a pivotal year for Jatcorp, marked by strategic execution and deliberate expansion. We have harnessed the momentum gained from the foundation laid in the previous year to achieve significant milestones. Our strategic initiatives, focused on organic growth with new products introduction to the market, have not only strengthened our market position but have also unlocked new avenues for long-term value creation.

Under the stewardship of our new leadership team, Jatcorp has delivered much stronger financial performance. Our relentless focus on operational efficiency, coupled with innovative product development, has resulted in substantial improvements in earnings, cash flow, and overall financial health. The strategic investments we have made in modernizing our manufacturing capabilities and enhancing our product portfolio have already begun to yield positive results. These achievements are a testament to the ingenuity, resilience, and dedication of our people, who remain our most valuable asset.

As we look ahead to FY2025, Jatcorp stands at the threshold of new and exciting opportunities. The global economic landscape presents both challenges and possibilities, and we are strategically positioned to navigate these with confidence. Our commitment to innovation will see us entering new markets and launching products that resonate with the evolving needs of our customers. The positive feedback and growing demand from our distributors are clear indicators that our strategic direction is sound and our execution is on point.

On behalf of the Board of Directors and the entire leadership team, I extend my deepest gratitude for your continued trust and support. It is your confidence in our vision that propels us forward, and together, we will continue to build a brighter, more prosperous future for Jatcorp.

Thank you for being an integral part of our journey.

Peng Shen
Chairman

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Jatcorp') consisting of Jatcorp Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were Directors of Jatcorp Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	Appointment date
Mr Peng Shen - Chairman & Non-Executive Director	
Mr Sunny Jian Xin Liang - Chief Executive Officer and Executive Director	
Mr Zhan Wang - Managing Director	
Mr Kieran Pryke - Independent Non-Executive Director	20 November 2023

Principal activities

Jatcorp is at the forefront of innovative technology servicing the Asia Pacific markets. With a track record of successful product development, Jatcorp is a leading producer of dairy and nutrient products in Australia. This activity encompasses:

- Innovation and new product development, focusing on the manufacture of a diverse range of consumer products. JAT specialises in formulations catering to all age groups from infants to seniors. Our products frequently incorporate lactoferrin, known for its efficacy in boosting the immune system, improving intestinal health, and delivering a variety of additional health benefits.
- Comprehensive brand development, focusing on our flagship brands, ‘Neurio’ and ‘Moroka.’ This includes targeted marketing and promotional efforts, as well as the sale of both client and proprietary products. We execute this through a multi-channel approach, leveraging both traditional retail and e-commerce platforms, with a primary focus on the Australian and Chinese markets.

Review of operations

The Group reported overall revenue growth of 29%, driven by a revised strategy, increased focus on sales and marketing initiatives and manufacturing enhancements. The Company is also capitalising on an increasing demand for lactoferrin based products in China.

The Company incurred legal costs of $5.18m in the financial year in relation to legal proceedings against the former directors of Sunnya Pty. Ltd. and other related parties. In April 2024, the Supreme Court of NSW delivered a 400-page judgment in favour of Jatcorp and Sunnya.

Results highlights

- Revenue from continuing operations increased by 42% to $52.5m.
- Gross profit form continuing operations increased 76% to $19.3m.
- Gross profit margin from continuing operations increased from 29.85% to 36.93%.
- Earnings before interest, taxation, depreciation and amortisation (EBITDA) of $3.2m, an increase of $7.1m from ($3.9m) in FY23.
- The adjusted EBITDA is $3.7m in FY24, representing an improvement of $4.9m from ($1.2m) in FY23. Adjusted EBITDA and EBITDA are non-IFRS measures. The Directors consider that these measures provide a better understanding of the Group’s operating efficiency.
- Operating cash flow has increased to $2.9m in FY24, representing an improvement of $3.8m from ($963k) in FY23. Cash balance for continuing operations was $2.0m at the end of June 2024.
- The results from ordinary activities after tax attributable to the owners of Jatcorp Limited has greatly improved from a loss of ($4.5m) in FY23 to a profit of $2.2m in FY24.

	2024 $	2023 $	Change $	Change %
Revenue from continuing operations	52,458,754	36,877,463	15,581,291	42%
Revenue from discontinuing operations	23,137,267	21,652,782	1,484,485	7%
Group consolidated revenue	**75,596,021**	**58,530,245**	**17,065,776**	**29%**
Gross profit margin % - continuing operations	36.93%	29.85%	7.08	
Gross profit margin % - discontinuing operations	0.61%	1.38%	0.77	
EBITDA- continuing and discontinuing operations	**3,206,736**	**(3,897,697)**	**7,104,433**	**182%**
Inventory write-down	483,791	943,520	(459,729)	(49%)
Loan written off on discontinued operations	-	1,761,643	(1,761,643)	(100%)
Adjusted EBITDA - continuing and discontinuing operations	**3,690,527**	**(1,192,534)**	**4,883,061**	**409%**
Profit/(loss) after tax - continuing operations	1,679,313	(2,522,974)	4,202,287	167%
Loss after tax - discontinuing operations	(79,151)	(2,091,718)	2,012,567	(96%)
Profit/(loss) after tax for the year	**1,600,162**	**(4,614,692)**	**6,214,854**	**135%**
Net cash from/(used in) operating activities	**2,819,328**	**(963,490)**	**3,782,818**	**393%**

A reconciliation between profit/(loss) after tax and Adjusted EBITDA is provided below.

	2024 $	2023 $
Profit/(loss) after income tax expense for the year	**1,600,162**	**(4,614,692)**
Interest income	(61,721)	(19,525)
Interest expense	278,843	198,072
Income tax expense/(benefit)	346,250	(529,287)
Depreciation and amortisation	1,043,202	1,067,735
EBITDA	**3,206,736**	**(3,897,697)**
Inventory write-down	483,791	943,520
Loan written off on discontinued operations	-	1,761,643
Adjusted EBITDA	**3,690,527**	**(1,192,534)**

Adjusted EBITDA is a financial measure which is not prescribed by the Australian Accounting Standards (AASBs) and represents the profit or loss under AASBs adjusted for specific items. The Directors consider Adjusted EBITDA to be one of the key financial measures of the Group.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Finance
On 29 July 2023, a total of 112,916,671 options lapsed.

On 12 September 2023, the Company announced a consolidation of capital where every 30 shares were consolidated into 1 share on 18 September 2023. Effectively, 2,497,951,839 shares pre consolidation were consolidated to 83,265,061 shares and 832,350,263 options pre consolidation will be consolidated to 27,745,009 options, respectively.

Significant changes in the state of affairs
Mr Kieran Pryke was appointed Independent Non-Executive Director on 20 November 2023.

Mr Sunny Jian Xin Liang was appointed as CEO on 8 January 2024. Prior to his appointment, Sunny was COO and executive director of Jatcorp, where he was responsible for leading the business development and sales function.

Legal proceedings of Sunnya Pty Ltd
Jatcorp Limited, along with its subsidiary Sunnya Pty Ltd, has made progress in a legal dispute against former directors Mr Yinghan He, Ms Yanxia Lu, and associated entities, including New Zealand suppliers known as the Wu Parties. This litigation has been pivotal in safeguarding Jatcorp's intellectual property rights, particularly concerning the Neurio and Guamis trademarks.

In April 2024, the Supreme Court of NSW delivered a decisive 400-page judgment in favor of Jatcorp and Sunnya. The Court confirmed Sunnya's rightful ownership of the Neurio and Guamis trademarks in Australia and New Zealand. The judgment included permanent injunctions against the defendants, effectively preventing them from further exploiting these trademarks or interfering with Sunnya's business operations.

Subsequently, in June 2024, the Court issued a costs judgment, awarding Jatcorp and Sunnya their legal costs on an indemnity basis due to the defendants' misconduct. This judgment represents a milestone in our efforts to protect and enforce our intellectual property rights.

Other than as disclosed in this report, there were no other significant changes in the state of affairs of the Group during the financial year.

Events occurring after the reporting date
No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
The Group will continue to pursue growth in revenue in the next financial year as it seeks to further expand its business and build the scale of its operations.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Corporate governance
The Board of Directors is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable.

Jatcorp’s corporate governance practices were in place for the year and were compliant with the ASX Governing council’s best practice recommendations. In compliance with the “If not why not” reporting regime, where the Company’s corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation. Information on corporate governance is listed on JAT website (www.jatcorp.com) and further information can be requested from the Company’s head office.

Risk management
The Group takes a proactive approach to risk management. Management, through the Managing Director, is responsible for designing, implementing and reporting on the adequacy of the Group’s risk management and internal control system.

Management reports to the Board on the Company’s key risks and the extent to which it believes these risks are being managed. This is performed informally on a six-monthly basis or more frequently as required by the Board.

The Group has developed a series of risks which the Group believes to be inherent in the business and industry in which the Group operates. These include:

Risk	Explanation
Competition risks	The functional food and nutritional supplement sectors are characterised by intense competition. The Company encounters significant competitive pressure from both international and domestic players. Numerous products in the market have the potential to replace or substitute the Company's offerings. As such, heightened competition poses a risk to the Company's operating performance, financial results, and future growth prospects.
Strategy execution risks	The Company's future growth, profitability, and overall success are contingent upon the effective execution of its business strategy by its management team. There is a risk that the Company may not achieve its strategic objectives or meet anticipated timelines. Any failure to successfully implement the business strategy could have a materially adverse impact on the Company's operational results and financial performance.
Distribution channel risks	The Company is dependent on several key distribution channels, each of which is material. Some of these channels are not contractually obligated to meet minimum purchase volumes. As such, a decrease in demand through any of these channels could lead to reduced orders for the Company's products. If a distribution channel fails to perform, it could result in missed opportunities and negatively affect the Company's operating results and financial position.
Supplier dependency risks	The Company relies on a range of key suppliers for various products and services. If relationships with any of these suppliers deteriorate significantly, if a key supplier ceases trading, or if they are unable to provide products or services on their usual terms, the Company may face challenges in immediately finding alternative sources. Additionally, there is a risk that the Company may not be able to secure products or services from existing or new suppliers at favourable prices, terms, or in sufficient volumes.
Talent retention risks	As the Company expands, its success will heavily depend on its ability to attract and retain talented personnel. There is a risk that the Company may not be able to retain its existing key staff or attract new talent in the future. The loss of any key personnel, without timely and suitable replacements, could significantly disrupt operations and hinder the implementation of business plans. This could, in turn, adversely affect both the Company's financial performance and future prospects.
Brand and reputational risk	The Company's brand names are vital assets integral to its business. Any failure by the Company to safeguard its reputation, or by its suppliers, distributors, or retail customers to maintain their own reputations, could negatively impact the Company's brand image. Such reputational damage could, in turn, have a materially adverse effect on the Company's operating results, financial condition, and overall success.
International trade and regulatory risk	The Company operates both domestically and internationally, navigating various regulatory regimes and quotas in each foreign market. Changes to trade policies or regulatory restrictions in these jurisdictions could impact the Company's ability to export its products. Such trade barriers or policy shifts may negatively affect the Company's financial performance.
Currency and foreign exchange risks	When the Company distributes products internationally, it typically receives payments in the local currencies of those foreign markets. This exposes the Company to fluctuations in exchange rates between these foreign currencies and the Australian dollar. An increase in the value of the Australian dollar could reduce the demand for the Company's products in export markets.
Funding risks	There is no assurance that the Company will be able to secure the funding required to meet its business needs and objectives, whether on favourable terms or at all. If additional equity financing is obtained, it may dilute existing shareholdings, while debt financing could impose restrictions on the Company's financial and operational activities. Failure to obtain necessary funds could force the Company to scale down operations, delay, reduce the scope of, or abandon some or all of its projects. Such outcomes could significantly and adversely affect the Company's value and share price.

Risk	Explanation
Product safety and liability risks	The Company is exposed to risks associated with product liability claims arising from defective products, as well as risks related to product contamination and recalls. Additionally, products may face issues due to processing or production defects that deviate from specifications. Any such claims or issues could be substantial and, if upheld, may have a significant adverse impact on the Company's financial position and performance.
Intellectual property risks	The Company's commercial success partially relies on its ability to operate without infringing upon, misappropriating, or otherwise violating the trademarks, patents, copyrights, and other proprietary rights of others. The Company cannot guarantee that its business practices are free from such infringements. As the Company gains increased visibility and market presence as a public entity, there is a risk that third parties may assert claims that the Company's products, services, or activities infringe their intellectual property rights, potentially to gain a competitive edge. Such claims, if proven valid, could have a materially adverse effect on the Company's business, operations, and financial condition.
Technology and cyber risks	The Company's website relies on both proprietary software developed by the Company and software licensed from third parties. There is a risk that either the Company or its third-party suppliers may fail to adequately maintain their technology systems, potentially causing disruptions to the Company's operations. Additionally, risks such as system failures, delays, database corruption, power outages, issues with upgrades, technical malfunctions, and other IT disruptions could adversely affect the Company's website and user experience.
China market risks	A substantial portion of the Company's revenue is derived from sales to mainland China. The Company is therefore exposed to various social, political, and economic risks associated with operating in this market. These risks include potential changes in regulatory policies, political instability, economic fluctuations, and shifts in trade relationships that could impact the Company's operations and financial performance. Additionally, social factors such as public sentiment and government policies related to foreign businesses may also affect the Company's market position. Any adverse developments in these areas could materially impact the Company's revenue, profitability, and overall business operations.

Near term focus

Market Penetration and New Geographies

Jatcorp will continue to build its presence in new geographies, ensuring the Neurio and Moroka products are accessible to a broader audience through its omnichannel presence. This expansion will be supported by strategic partnerships and collaborations, further strengthening Jatcorp's presence in key markets.

Product Development

Jatcorp expects to launch several new products in FY25, with three currently in the final stages of development. These new offerings will broaden Jatcorp's product portfolio, engaging new consumer demographics and driving growth and diversification. Continuous innovation remains a cornerstone of the Company's strategy.

Environmental, Social and Governance

Jatcorp also has plans to further develop and implement its Environmental, Social, and Governance (ESG) framework. Integrating sustainable practices, enhancing social responsibility, and further developing robust governance structures will be key priorities for the Company's sustainable growth.

Enhanced Manufacturing Efficiency

Jatcorp will leverage the manufacturing efficiency enhancements and investments made in FY24 to secure production and meet market demand.

Information on Directors

Name:	Peng Shen
Title:	Chairman and Non-Executive Director
Qualifications:	BEcon Hon, M.Fin
Experience and expertise:	Mr Shen has more than 23 years of experience in management and operation of listed public companies. Mr Shen was formerly CFO of Yancoal Australia, a S&P/ASX 100 company, where he managed billions worth of M&A transactions and gained leadership experience in Australia. Prior to Yancoal, Mr Shen held the offices of Director and Company Secretary in China Shenhua Energy Ltd, one of the world's largest and leading integrated energy companies, where he lead the investor relations and managed IPOs over 13 billion USD on HKSE and SHSE. As a senior business consultant, Mr Shen also has practiced and advised extensively in the fields of resources, fund management and business generally. Prior to his career with China Shenhua, Mr Shen held senior consultant position at Deloitte Touche Tohmatsu.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

Name:	Sunny Jian Xin Liang
Title:	Chief Executive Officer and Executive Director
Experience and expertise:	Mr Liang has more than ten years of experience in the export industry including infant formula, health supplements, skin care and personal care categories. Mr Liang was previously a senior business development director for a major export and e-commerce company, where he led the company through a period of significant growth and contract wins, achieved brand expansion and market penetration for clients, and built an annual turnover of over $400m. In that role he oversaw operations in Australia, China, Vietnam, and other Asian countries.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	371,117 shares held indirectly.
Interests in options:	None
Interests in rights:	None

Name:	Zhan Wang
Title:	Managing Director
Qualifications:	Bachelor of Business Administration
Experience and expertise:	Mr Wang has ten years of experience in cross-border e-commerce and eight years of experience in retail of maternity and infant products. Mr Wang's business footprint extends across China, Korea, Japan, and Southeast Asia, and he has rich experience in market development and sales. Mr Wang is currently the Managing Director of Pacific Healthy International Pty Ltd. and Pacific Healthy ANZ Pty Ltd, the leading distributors in the industries of dairy products, vitamin and cosmetics focusing on the Australian and Asian markets. Mr Wang is the sole director of Gold Brick Capital Pty Ltd.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	21,610,233 ordinary shares held indirectly.
Interests in options:	None
Interests in rights:	None

Name:	Kieran Pryke
Title:	Independent Non-Executive Director - appointed on 20 November 2023
Qualifications:	BCom and Fellow of CPA Australia
Experience and expertise:	Kieran brings over two decades of financial expertise to the board of Jatcorp Limited. His career is distinguished by significant contributions to financial leadership and strategic insights. Previously, Mr Pryke served as Chief Financial Officer at Lend Lease Real Estate Investments and GPT from 1996 to 2009. His expertise was further demonstrated in key roles such as Group Executive at Grocon (2016-2019) and Chief Financial Officer at Australand Property Group (2010-2014). Mr Pryke also holds or has held director positions on the boards of notable companies, including Boom Logistics Limited. His extensive experience and strategic acumen make him a valuable asset to the Jatcorp board.
Other current directorships:	Boom Logistics Limited
Former directorships (last 3 years):	Aura Medical Group Pty Limited
Interests in shares:	100,000 shares held indirectly.
Interests in options:	None
Interests in rights:	None

Company secretary
Oliver Carton is an experienced lawyer and company secretary, having provided outsourced company secretarial services for over 20 years. Prior to this he held roles as a director at KPMG, and a senior legal officer at ASIC.

Meetings of Directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Peng Shen	10	10
Sunny Jian Xin Liang	10	10
Zhan Wang	8	10
Kieran Pryke (appointed 20 November 2023)	5	5

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The performance of the Group depends on the quality of its Directors, Executives and other KMP.

To prosper, the Group must attract, motivate and retain highly skilled Directors, Executives and other KMP. To this end, the Group embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre executives;
- link executive rewards to shareholder value;
- ensure that a significant portion of executive remuneration is 'at risk', and therefore dependent on meeting pre-determined performance benchmarks; and
- establish appropriate performance hurdles in relation to variable executive remuneration.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of Directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team. Currently the Board has determined that Directors and senior managers will be remunerated at fixed rates per month to enable the Group to have control of its costs and cash flows.

Non-Executive Directors' remuneration
The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, while incurring costs that are acceptable to shareholders.

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-Executive Directors do not receive share options or other incentives.

The constitution and the ASX Listing Rules specify that the maximum aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting of shareholders. At the general meeting of shareholders held on 17 November 2020 this maximum amount was set at $350,000 per annum.

The Group had two Non-Executive Directors during the year.

Peng Shen received $160,945 in FY2024 (2023: $162,422).

Kieran Pryke (appointed on 22 November 2023 as Non-Executive director) received $49,474.

The amount of aggregate remuneration sought to be approved by shareholders and the fixed fees paid to Directors are reviewed annually. The Board considers fees paid to Non-Executive Directors of market comparable companies when undertaking the annual review process.

Executive and Key Management Personnel Remuneration
The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward executives for the Group and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Group; and
- ensure total remuneration is competitive by market standards.

A policy of the Board is to establish employment or consulting contracts with the chairman, managing director and other senior executives.

Short-term incentives
The Group currently provides certain members of its senior management team with annual short-term incentives ('STI') which become payable upon satisfaction of specified performance criteria. Payment of STI's in any given year will be determined by the Company and will be conditional upon achievement of:

- performance criteria tailored to each respective role (if any); and
- the Group's financial performance against criteria set by the Nomination and Remuneration Committee.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on budgeted EBIDTA, cost reduction, sales volume growth, team management and corporate management. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board of Directors.

Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Use of remuneration consultants
The Group did not engage any remuneration consultants during the current financial year.

Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')
At the 2023 AGM, 97.94% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
The remuneration of the Directors and other KMP of Jatcorp are set out below. KMP for the year ended 30 June 2024 are as disclosed below.

	Short-term benefits		Post-employment benefits	Long-term benefits	
Name	***Cash salary and fees** **$**	**Non-monetary** **$**	**Super-annuation** **$**	**Long service leave** **$**	**Total** **$**
FY 2024					
Non-Executive Directors:					
Peng Shen	150,500	10,445	-	-	160,945
Kieran Pryke (appointed on 22 November 2023)	44,571	-	4,903	-	49,474
Total Non-Executive Directors	195,071	10,445	4,903	-	210,419
Executive Directors:					
Zhan Wang	281,935	8,072	27,500	1,696	319,203
Sunny Jian Xin Liang[1]	332,548	-	34,641	543	367,732
Total Executive Directors	614,483	8,072	62,141	2,239	686,935
Other Key Management Personnel:					
Li Yang (CFO)[2]	170,442	-	17,160	1,997	189,599
Total	979,996	18,517	84,204	4,236	1,086,953

* Including annual leave accrual

1 Includes bonus paid of $50,000 during the year.
2 Includes bonus a division performance bonus of $6,000 paid during the year.

Name	Short-term benefits *Cash salary and fees $	 Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Total $
FY 2023					
Non-Executive directors:					
Peng Shen (appointed on 20 June 2022 as Non-Executive Director, appointed on 1 September 2022 as Non-Executive Chairman)	143,068	4,332	15,022	-	162,422
Brett Crowley (removed on 1 September 2022)	19,822	-	1,871	-	21,693
Total Non-Executive Directors	162,890	4,332	16,893	-	184,115
Executive Directors:					
Zhan Wang (appointed on 20 June 2022 as Executive Director, appointed on 8 September 2022 as Managing Director)	254,033	3,150	24,584	429	282,196
Sunny Jian Xin Liang (appointed on 31 January 2023)	135,898	-	13,256	21	149,175
Zhiguo Zhang (appointed on 1 September 2022, resigned on 31 January 2023)	61,188	-	7,875	-	69,063
Bo Qiang (appointed 7 September 2022, resigned on 25 November 2022 Former Managing Director - ceased on 7 September 2022)	89,850	-	2,184	-	92,034
Total Executive Directors	540,969	3,150	47,899	450	592,468
Other Key Management Personnel:					
Li Yang (CFO) (appointed on 8 July 2022)	160,367	-	15,688	-	176,055
Wilton Yao (Former CEO, terminated on 24 December 2022)	192,386	6,598	20,942	-	219,926
Jennifer Liu (Former CFO, resigned on 4 July 2022)	1,926	-	188	-	2,114
Total other Key Management Personnel	354,679	6,598	36,818	-	398,095
Total	1,058,538	14,080	101,610	450	1,174,678

* Including annual leave accrual
** There no performance bonus paid in 2023

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2024	2023	At risk - STI 2024	2023	At risk - LTI 2024	2023
Peng Shen	100.0%	100.0%	-	-	-	-
Kieran Pryke	100.0%	-	-	-	-	-
Zhan Wang	100.0%	100.0%	-	-	-	-
Sunny Jian Xin Liang	86.4%	100.0%	13.6%	-	-	-
Li Yang	96.8%	100.0%	3.2%	-	-	-

The above table does not include information on those who were not a key management personnel as at 30 June 2023.

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable 2024	2023	Cash bonus forfeited 2024	2023
Sunny Jian Xin Liang	100%	-	-	-
Li Yang	100%	-	-	-

There no performance bonus payable/paid or forfeited in 2023.

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Peng Shen
Title:	Chairman and Non-Executive Director
Agreement commenced:	1 July 2023
Term of agreement:	1 year
Details:	Base salary for the year ended 30 June 2024 of $150,000 plus GST. In the event of termination by the Company, notice of termination is no less than three months. In the event of termination by the Director, notice of termination is no less than fourteen days or following the ASIC rules of resigning as a non-executive directors of a listed company. The service contract will be renewed after 12 months.

Name:	Sunny Jian Xin Liang
Title:	CEO
Agreement commenced:	31 January 2023
Term of agreement:	2 years
Details:	Base salary for the year ended 30 June 2024 of $230,000 plus KPI bonus and superannuation, 5 month termination notice by either party.

Name:	Zhan Wang
Title:	Managing Director
Agreement commenced:	8 September 2022
Term of agreement:	3 years
Details:	Base salary for the year ended 30 June 2024 of $250,000 plus superannuation, 5 month termination notice by either party.

Name:	Kieran Pryke
Title:	Non-Executive Director
Agreement commenced:	20 November 2023
Term of agreement:	Initial period of 1 year and subject to re-election by shareholders for another 3 year period.
Details:	Base salary for the year ended 30 June 2024 of $72,000 plus superannuation.

Name:	Li Yang
Title:	CFO
Agreement commenced:	4 July 2022
Term of agreement:	Permanent
Details:	Base salary for the year ended 30 June 2024 of $150,000 plus superannuation, 1 month termination notice by either party, non-solicitation and non-compete clauses.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Additional information
The earnings of the Group for the five years to 30 June 2024 are summarised below:

	2024 $	2023 $	2022 $	2021 $	2020 $
Sales revenue	75,596,021	58,530,245	37,856,047	20,955,975	59,452,615
EBITDA	3,206,736	(3,897,697)	(7,562,406)	(14,404,939)	(19,053,152)
EBIT	2,163,534	(4,965,432)	(8,692,809)	(17,459,048)	(21,543,458)
Profit/(loss) after income tax	1,600,162	(4,614,692)	(10,011,768)	(21,065,549)	(26,590,036)
Share price at year end ($)	$0.66	$0.30	$0.39	$0.65	$1.00

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Name 2024 Ordinary shares	Balance at the start of the year No. of shares	Received as part of remuneration No. of shares	Additions No. of shares	Share consolidation* No. of shares	Balance at the end of the year No. of shares
Peng Shen	-	-	-	-	-
Gold Brick Capital holding shares (Zhan Wang)	507,649,212	-	4,688,592	(490,727,571)	21,610,233
Sunny Jian Xin Liang**	8,985,264	-	-	(8,614,087)	371,177
Li Yang	23,600	-	5,233	(22,833)	6,000
Kieran Pryke (appointed on 20 November 2023)	-	-	100,000	-	100,000
Total	516,658,076	-	4,793,825	(499,364,491)	22,087,410

* A general meeting of shareholders was held on 12 September 2023 where a resolution was passed to consolidate the share capital of the Company on a 30 for one basis, with fractional holdings rounded up to the nearest whole number. As result the number of shares held as that date were divided by 30.

** Sunny Jian Xin Liang does not have a relevant interest in 371,177 of these shares which are held by a close family member, as he has no power to vote or dispose of them.

Name 2023 Ordinary shares	Balance at the start of the year No. of shares	Received as part of remuneration No. of shares	Additions No. of shares	Disposals/ other No. of shares	Balance at the end of the year* No. of shares
Peng Shen	-	-	-	-	-
Gold Brick Capital holding shares (Zhan Wang)	424,703,461	-	82,945,751	-	507,649,212
Sunny Jian Xin Liang (appointed on 31 January 2023)	3,655,264	-	5,330,000	-	8,985,264
Li Yang	23,600	-	-	-	23,600
*ZHBK PTY LTD and ZLIBJ PTY LTD (Zhiguo Zhang resigned on 31 January 2023)	6,572,222	-	1,000,000	-	7,572,222
*Bo Qiang (resigned on 25 November 2022)	73,287,207	-	-	-	73,287,207
*Binghui Gong (removed 1 September 2022)	13,000,000	-	-	(13,000,000)	-
*Brett Crowley (removed 1 September 2022)	4,578,948	-	763,158	-	5,342,106
*JIN & YAO INVESTMENTS PTY LTD (Wilton Yao terminated 24 December 2022)	28,390,059	-	-	-	28,390,059
Total	554,210,761	-	90,038,909	(13,000,000)	631,249,670

* represents holding of ordinary shares at the date of resignation or removal.

Option holding
The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Name	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
Options over ordinary shares					
Gold Brick Capital holding shares (Zhan Wang)	192,500,000	-	-	(186,083,333)	6,416,667
	192,500,000	-	-	(186,083,333)	6,416,667

* includes adjustment for capital consolidation.
** All the options were exercisable at year end.

No options were granted as remuneration in the financial year ended 30 June 2024. There were no other options held by KMP in FY2024 (2023: nil).

Other transactions with Key Management Personnel and their related parties

	Consolidated 2024 $
Sales	
Pacific Healthy International Holding Pty Ltd*	3,049,511
Payment for marketing services	
Pacific Healthy International Holding Pty Ltd*	527,527

* Related entity of the director, Zhan Wang.

All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of Jatcorp Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
The following ordinary shares of Jatcorp Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
26 August 2022	$0.960	244

Indemnity and insurance of officers
The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability 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.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

Legal proceedings vs Wilton Yao

As announced on 10 January 2023, the employment of former director and CEO of the Company, Wilton Yao, was terminated. He has since brought proceedings against the Company claiming damages for the termination of his employment contract. The Company has rejected his claim as without merit and will defend the proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Sunny Jian Xin Liang
Chief Executive Officer and Executive Director

29 August 2024
Sydney

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Jatcorp Limited for the year ended 30 June 2024, 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.

RSM Australia Partners
Digitally signed by RSM Australia Partners
Date: 2024.08.29 15:27:29 +10'00'

RSM AUSTRALIA PARTNERS

Louis Quintal
Digitally signed by Louis Quintal
Date: 2024.08.29 15:27:18 +10'00'

Louis Quintal
Partner

Sydney, NSW
Dated: 29 August 2024

Jatcorp Limited and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue	5	52,458,754	36,877,463
Cost of goods sold	6	(33,086,328)	(25,870,482)
Gross profit margin		19,372,426	11,006,981
Other income	7	547,982	212,534
Interest revenue calculated using the effective interest method		61,721	19,525
Expenses			
Advertising and marketing expenses		(5,506,981)	(3,378,985)
Consultancy and professional fees		(5,639,166)	(3,117,428)
Employee benefits expenses		(2,999,889)	(3,214,247)
Directors' fees		(838,682)	(797,725)
Depreciation and amortisation expenses	8	(1,043,202)	(1,021,026)
Impairment loss	8	(194,897)	(742,312)
Administration expenses		(1,310,611)	(1,247,362)
Other expenses		(144,295)	(258,649)
Finance costs	8	(278,843)	(190,530)
Profit/(loss) before income tax (expense)/benefit from continuing operations		2,025,563	(2,729,224)
Income tax (expense)/benefit	9	(346,250)	206,250
Profit/(loss) after income tax (expense)/benefit from continuing operations		1,679,313	(2,522,974)
Loss after income tax benefit from discontinued operations	10	(79,151)	(2,091,718)
Profit/(loss) after income tax (expense)/benefit for the year		1,600,162	(4,614,692)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		1,600,162	(4,614,692)
Profit/(loss) for the year is attributable to:			
Non-controlling interest		(619,457)	(138,607)
Owners of Jatcorp Limited		2,219,619	(4,476,085)
		1,600,162	(4,614,692)
Total comprehensive income/(loss) for the year is attributable to:			
Continuing operations		(583,100)	40,359
Discontinued operations		(36,357)	(178,966)
Non-controlling interest		(619,457)	(138,607)
Continuing operations		2,262,593	(2,563,333)
Discontinued operations		(42,974)	(1,912,752)
Owners of Jatcorp Limited		2,219,619	(4,476,085)
		1,600,162	(4,614,692)

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

		Cents	Cents
Earnings/(loss) per share from continuing operations attributable to the owners of Jatcorp Limited			
Basic earnings/(loss) per share	11	2.72	(3.08)
Diluted earnings/(loss) per share	11	2.72	(3.08)
Loss per share for loss from discontinued operations attributable to the owners of Jatcorp Limited			
Basic loss per share	11	(0.05)	(2.30)
Diluted loss per share	11	(0.05)	(2.30)
Earnings/(loss) per share attributable to the owners of Jatcorp Limited			
Basic earnings/(loss) per share	11	2.67	(5.38)
Diluted earnings/(loss) per share	11	2.67	(5.38)

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	12	2,069,853	3,805,928
Trade and other receivables	13	5,060,277	7,274,918
Inventories	15	3,838,536	4,734,383
Tax receivable	9	234,660	247,434
		11,203,326	16,062,663
Assets of disposal groups classified as held for distribution to owners	14	590,922	-
Total current assets		11,794,248	16,062,663
Non-current assets			
Trade and other receivables	13	305,162	160,125
Property, plant and equipment	16	4,773,871	4,847,841
Right-of-use assets	17	5,726,136	2,493,394
Intangible assets	18	2,698,695	2,714,644
Deferred tax assets	9	62,830	28,047
Total non-current assets		13,566,694	10,244,051
Total assets		25,360,942	26,306,714
Liabilities			
Current liabilities			
Trade and other payables	19	3,573,700	1,804,521
Contract liabilities	20	2,830,958	7,578,507
Borrowings	21	1,685,229	3,173,617
Lease liabilities	22	423,796	540,666
Provisions	23	379,712	335,978
Total current liabilities		8,893,395	13,433,289
Non-current liabilities			
Contract liabilities	20	185,329	-
Lease liabilities	22	5,285,600	2,223,663
Provisions	23	165,990	213,886
Total non-current liabilities		5,636,919	2,437,549
Total liabilities		14,530,314	15,870,838
Net assets		10,830,628	10,435,876
Equity			
Issued capital	24	90,231,570	90,231,570
Reserve	25	(2,324,120)	-
Accumulated losses		(79,732,900)	(81,952,519)
Equity attributable to the owners of Jatcorp Limited		8,174,550	8,279,051
Non-controlling interest	26	2,656,078	2,156,825
Total equity		10,830,628	10,435,876

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Jatcorp Limited and its controlled entities
Consolidated statement of changes in equity
For the year ended 30 June 2024

	Issued capital $	Reserve $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2022	85,981,706	1,024,789	(80,167,772)	642,654	7,481,377
Loss after income tax benefit for the year	-	-	(4,476,085)	(138,607)	(4,614,692)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	(4,476,085)	(138,607)	(4,614,692)
Transactions with owners in their capacity as owners:					
Shares issued during the period, net of cost	4,249,864	-	-	-	4,249,864
De-recognition of discontinued operations	-	-	1,666,549	1,652,778	3,319,327
Option expired	-	(1,024,789)	1,024,789	-	-
Balance at 30 June 2023	90,231,570	-	(81,952,519)	2,156,825	10,435,876

	Issued capital $	Reserve $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2023	90,231,570	-	(81,952,519)	2,156,825	10,435,876
Profit/(loss) after income tax expense for the year	-	-	2,219,619	(619,457)	1,600,162
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	2,219,619	(619,457)	1,600,162
Transactions with owners in their capacity as owners:					
Acquisition of controlled entities	-	(2,324,120)	-	825,108	(1,499,012)
Non-controlling interest transactions	-	-	-	293,602	293,602
Balance at 30 June 2024	90,231,570	(2,324,120)	(79,732,900)	2,656,078	10,830,628

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

Jatcorp Limited and its controlled entities
Consolidated statement of cash flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		74,230,294	60,692,028
Payments to suppliers and employees		(71,514,791)	(61,206,442)
		2,715,503	(514,414)
Interest received		61,721	19,525
Other income		292,896	54,910
Interest and other finance costs paid		(278,843)	(190,530)
Income taxes refunded/(paid)		28,051	(332,981)
Net cash from/(used in) operating activities	34	2,819,328	(963,490)
Cash flows from investing activities			
Acquisition of non-controlling interests		(1,500,000)	(1,847,338)
Payments for property, plant and equipment	16	(533,886)	-
Payments for intangibles	18	(105,545)	-
Proceeds from disposal of investments		-	200
Proceeds from disposal of property, plant and equipment		40,318	235,286
Net cash used in investing activities		(2,099,113)	(1,611,852)
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)	24	-	4,249,864
Repayment of lease liabilities		(568,932)	(554,505)
Repayment of borrowings		(1,488,388)	(1,174,008)
Net cash (used in)/from financing activities		(2,057,320)	2,521,351
Net decrease in cash and cash equivalents		(1,337,105)	(53,991)
Cash and cash equivalents at the beginning of the financial year		3,805,928	3,859,919
Cash and cash equivalents at the end of the financial year	12	2,468,823	3,805,928

Note 1. General information

The financial statements cover Jatcorp Limited as a Group consisting of Jatcorp Limited ('Company' or 'parent entity') and the entities it controlled ('Group' or 'Jatcorp') at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Jatcorp Limited's functional and presentation currency.

Jatcorp Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 502
2 Bligh Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 August 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations have been adopted from 1 July 2023:

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
AASB 2021-2 was issued in March 2021 and is applicable to annual periods beginning on or after 1 January 2023.

This standard amends AASB Standards to improve accounting policy disclosures so that they provide more useful information to investors and users of the financial statements and clarifies the distinction between accounting policies and accounting estimates. Specifically, AASB 2021-2 amends:

- AASB 7 Financial Instruments: Disclosures, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements
- AASB 101 Presentation of Financial Statements, to require entities to disclose their material accounting policy information rather than their significant accounting policies.
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates.
- AASB 134 Interim Financial Reporting, to identify material accounting policy information as a component of a complete set of financial statements.
- AASB Practice Statement 2 Making Materiality Judgements, to provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures.

AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
AASB 2021-5 was issued in June 2021 and is applicable to annual periods beginning on or after 1 January 2023.

Note 2. Material accounting policy information (continued)

The standard amends AASB 112 to clarify that the initial recognition exemption from the requirement to recognise deferred tax does not apply to transactions for which entities recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences. Such transactions include leases and decommissioning, restoration and similar obligations. For lease accounting, the implication is that where the entity has adopted an accounting policy that attributes the tax deduction as being directly related to the repayment of the lease liability, a deferred tax asset will arise on initial recognition of the lease liability, and a deferred tax liability will be recognised on initial recognition of the related component of the lease asset's cost. Alternatively, where the entity attributes the tax deduction as being related to the consumption of the right-of-use asset, the deferred tax liability and deferred tax asset are both attributable to the recognition of the right-of-use asset and will net off resulting in no deferred tax recognised. The amendments to AASB 1 require deferred tax related to such transactions to be recognised by first-time adopters at the date of transaction to AASBs.

AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules
AASB 2023-2 was issued in June 2023 and is applicable for annual reporting periods beginning on or after 1 January 2023 that end on or after 30 June 2023. Early adoption is permitted.

This standard amends AASB 112 'Income Taxes' to introduce a mandatory temporary exception to accounting for deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The amendments also require targeted disclosures to help financial statement users better understand an entity's exposure to income taxes arising from the reform, particularly in periods before legislation implementing the rules is in effect. As at the date of approval of these financial statements, the legislation has not been substantively enacted. Therefore, the Group is unable to determine the potential impact.

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Comparative figures
Comparatives figures have been adjusted to conform with changes in presentation for the current financial year.

Going concern
The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a profit of $1,600,162 (2023: loss of $4,614,692) and had net cash inflows from operating activities of $2,819,328 (2023: net cash outflows of $963,490) for the year ended 30 June 2024. As at that date the Group had net current assets of $2,900,853 (2023: $2,629,374) and net assets of $10,830,628 (2023: $10,435,876).

The ability of the Group to continue as a going concern is dependent on a number of factors, the most significant of which is the ability to generate positive operating cash flows through its continued operations.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Note 2. Material accounting policy information (continued)

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- the Group has cash balance of $2,069,853 as at 30 June 2024;
- the Directors have considered the Group's cash flow forecast which indicates the Group to continue to operate within the limits of its available cash reserves; and
- if required, the Group has the ability to reduce discretionary spending in its consultancy expenditures.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Jatcorp Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Jatcorp Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Jatcorp Limited's functional and presentation currency.

Note 2. Material accounting policy information (continued)

Foreign currency transactions
Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of milk powder products
Revenue from the sale of milk powder products is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income
Other income is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 2. Material accounting policy information (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Jatcorp Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Discontinued operations
A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 2. Material accounting policy information (continued)

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Property	40 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 2. Material accounting policy information (continued)

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Trade names
Separately acquired trade names are shown at historical cost. Trade names acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Trade names have an estimated useful life of ten years.

Trade marks
Separately acquired trade marks are shown at historical cost. Trade marks acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Trade marks have an estimated useful life of ten years.

Customer relationships
Separately acquired customer relationships are shown at historical cost. Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Customer relationships have an estimated useful life of five years.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Material accounting policy information (continued)

Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 2. Material accounting policy information (continued)

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 2. Material accounting policy information (continued)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Jatcorp Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 'Statement of Cash Flows'. The standard requires income and expenses to be classified into five categories: 'Operating' (residual category if income and expenses are not classified into another category), 'Investing', 'Financing', 'Income taxes' and 'Discontinued operations'. The standard introduces two mandatory sub-totals: 'Operating profit' and 'Profit before finance and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on how to organise and group information (aggregation and disaggregation) in the financial statements and whether to provide it in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2024. Early adoption is permitted where AASB 2020-1 is also early adopted.

Note 2. Material accounting policy information (continued)

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified. The Group does not expect these amendments to have a material impact.

AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
AASB 2022-5 was issued in November 2022 and is applicable to annual periods beginning on or after 1 January 2024. Early adoption is permitted.

This Standard amends AASB 16 to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale. Consistent with the AASB 16 requirements for a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor, the amendments made by this Standard ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains. The Group does not expect these amendments to have a material impact.

AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements
AASB 2023-1 was issued in June 2023 and is applicable for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted.

This standard makes amendments to AASB 7 'Financial Instruments: Disclosures' and AASB 107 'Statement of Cash Flows' to require an entity to provide additional disclosures about its supplier finance arrangements. The additional information will enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cash flows and exposure to liquidity risk. The amendments require an entity to disclose the terms and conditions of the arrangements, the carrying amount of the liabilities that are part of the arrangements, the carrying amounts of those liabilities for which the suppliers have already received payment from the finance providers, the range of payment due dates and the effect of non-cash changes. The Group does not expect these amendments to have a material impact.

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability
AASB 2023-5 was issued in October 2023 and is applicable for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted.

This standard makes amendments to AASB 121 'The Effects of Changes in Foreign Exchange Rates' and AASB 1 'First-time Adoption of Australian Accounting Standards' to require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency. The Group does not expect these amendments to have a material impact.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 13, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 18 for further information.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
Jatcorp Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The provision for income tax is based on tax consolidated group.

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 4. Operating segments

Identification of reportable operating segments
The Group has identified its geographic segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the chief operating decision makers ('CODM')) in assessing performance and determining the allocation of resources. Geographic segments are determined based on location of its markets and customers which are Australia, China, New Zealand and Vietnam. The Vietnam operating segment is new for the current reporting period and therefore there is no comparative information for this new segment.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Major customers
During the year ended 30 June 2024, there was one customer from the Australian operating segment who contributed to $27,030,152 (2023: $21,901,971) of the Group's external revenue. There was also another customer from the Chinese operating segment who contributed to $10,182,535 (2023: $Nil) of the Group's external revenue.

Note 4. Operating segments (continued)

Operating segment information

2024	Australia $	China $	New Zealand $	Vietnam $	Total $
Revenue					
Revenue from contracts with customers:					
Continuing operations	38,646,890	13,396,601	194,703	220,560	52,458,754
Discontinuing operations	-	23,137,267	-	-	23,137,267
Total revenue from contracts with customers	38,646,890	36,533,868	194,703	220,560	75,596,021
Other revenue	547,380	6,888	-	-	554,268
Interest revenue	61,721	-	-	-	61,721
Total revenue	**39,255,991**	**36,540,756**	**194,703**	**220,560**	**76,212,010**
EBITDA	(272,875)	3,664,916	(108,937)	(76,368)	3,206,736
Depreciation and amortisation	(1,043,202)	-	-	-	(1,043,202)
Interest revenue	61,721	-	-	-	61,721
Finance costs	(278,843)	-	-	-	(278,843)
(Loss)/profit before income tax expense	**(1,533,199)**	**3,664,916**	**(108,937)**	**(76,368)**	**1,946,412**
Income tax expense					(346,250)
Profit after income tax expense					**1,600,162**
Material items include:					
Inventory write-down	483,791	-	-	-	483,791
Assets					
Segment assets	17,938,869	3,602,696	446,328	1,239	21,989,132
Unallocated assets:					
Cash and cash equivalents					2,069,853
Land and buildings					1,239,127
Deferred tax asset					62,830
Total assets					**25,360,942**
Liabilities					
Segment liabilities	12,781,753	1,736,100	12,461	-	14,530,314
Total liabilities					**14,530,314**

Note 4. Operating segments (continued)

2023	Australia $	China $	New Zealand $	Total $
Revenue				
Revenue from contracts with customers:				
Continuing operations	33,204,979	3,525,007	147,477	36,877,463
Discontinuing operations	1,162,874	20,489,908	-	21,652,782
Total revenue from contracts with customers	34,367,853	24,014,915	147,477	58,530,245
Other revenue	285,213	30,281	-	315,494
Interest revenue	19,525	-	-	19,525
Total revenue	**34,672,591**	**24,045,196**	**147,477**	**58,865,264**
EBITDA	(4,004,836)	367,416	(260,277)	(3,897,697)
Depreciation and amortisation	(1,067,735)	-	-	(1,067,735)
Interest revenue	19,525	-	-	19,525
Finance costs	(198,072)	-	-	(198,072)
(Loss)/profit before income tax benefit	**(5,251,118)**	**367,416**	**(260,277)**	**(5,143,979)**
Income tax benefit				529,287
Loss after income tax benefit				**(4,614,692)**
Material items include:				
Inventory write-down	943,520	-	-	943,520
Assets				
Segment assets	15,503,077	5,064,566	625,832	21,193,475
Unallocated assets:				
Cash and cash equivalents				3,805,928
Land and buildings				1,279,264
Deferred tax asset				28,047
Total assets				**26,306,714**
Liabilities				
Segment liabilities	11,099,818	4,743,653	27,367	15,870,838
Total liabilities				**15,870,838**

Economic dependency
The Group is dependent on the sales to the People's Republic of China which makes up 48% of total revenue (2023: 40%).

Note 5. Revenue

	2024 $	2023 $
From continuing operations		
Revenue from contracts with customers		
Sales of milk powder products (recognised at a point in time)	52,458,754	36,877,463

Note 5. Revenue (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	2024 $	2023 $
Geographical regions		
Australia	38,646,890	33,204,979
China	13,396,601	3,525,007
New Zealand	194,703	147,477
Vietnam	220,560	-
	52,458,754	36,877,463

Note 6. Cost of goods sold

	2024 $	2023 $
Inventory write-down	483,791	943,520
Raw materials, consumables used and overheads	32,602,537	24,926,962
Total cost of goods sold	33,086,328	25,870,482

Note 7. Other income

	2024 $	2023 $
Other income	292,896	212,534
Gain on remeasurement of lease	255,086	-
Other income	547,982	212,534

Note 8. Expenses

	2024 $	2023 $
Profit/(loss) before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Property	9,558	9,598
Plant and equipment	374,819	307,335
Buildings right-of-use assets	537,331	458,393
Total depreciation	921,708	775,326
Amortisation		
Trade names	59,700	59,700
Trade marks	9,815	-
Customer relationship	51,979	186,000
Total amortisation	121,494	245,700
Total depreciation and amortisation	1,043,202	1,021,026
Impairment loss		
Assets written off	183,161	401,759
Debts written off	11,736	340,553
Total impairment loss	194,897	742,312
Finance costs		
Interest and finance charges paid/payable on lease liabilities	151,102	123,374
Other interest expense	127,741	67,156
Finance costs expensed	278,843	190,530
Net foreign exchange loss		
Net foreign exchange loss	7,502	-
Net loss on disposal		
Superannuation expense		
Defined contribution superannuation expense	531,779	457,453

Note 9. Income tax

	2024 $	2023 $
Income tax expense/(benefit)		
Current tax	-	332,480
Deferred tax - origination and reversal of temporary differences	(34,783)	(486,147)
Adjustment recognised for prior periods	381,033	(375,620)
Aggregate income tax expense/(benefit)	346,250	(529,287)
Income tax expense/(benefit) is attributable to:		
Profit/(loss) from continuing operations	346,250	(206,250)
Loss from discontinued operations	-	(323,037)
Aggregate income tax expense/(benefit)	346,250	(529,287)
Deferred tax included in income tax expense/(benefit) comprises:		
Increase in deferred tax assets	(34,783)	(486,147)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit/(loss) before income tax (expense)/benefit from continuing operations	2,025,563	(2,729,224)
Loss before income tax benefit from discontinued operations	(79,151)	(2,414,755)
	1,946,412	(5,143,979)
Tax at the statutory tax rate of 30% (2023- 25%)	583,924	(1,285,995)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	39,511	10,543
Loan on disposal of subsidiary	-	440,411
Fines and penalties	-	3,061
Loan forgiveness	-	50,000
Sundry items	2,361	19,544
	625,796	(762,436)
Adjustment recognised for prior periods	381,033	(375,620)
Utilisation of previously unrecognised tax losses	(660,579)	-
Tax losses not brought to account	-	608,769
Income tax expense/(benefit)	346,250	(529,287)

	2024 $	2023 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	32,157,765	33,654,792
Potential tax benefit @ 30%	9,647,330	10,096,438

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 9. Income tax (continued)

	2024 $	2023 $
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Accrued expenses	526	4,167
Allowance for expected credit losses	677	2,740
Provision for inventory impairment	119,001	99,168
Intangible assets	(101,215)	(112,266)
Employee benefits	43,841	34,238
Deferred tax asset	62,830	28,047
Movements:		
Opening balance	28,047	(458,100)
Credited to profit or loss	34,783	486,147
Closing balance	62,830	28,047

	2024 $	2023 $
Tax receivable		
Tax receivable	234,660	247,434

Note 10. Discontinued operations

Year ended 30 June 2024

On 11 June 2024, the Group decided to voluntarily liquidate one of its subsidiaries, Pastoral Time Limited, as the entity has been facing significant challenges to sell Jatcorp's products in China and its operation is no longer in line with the shareholders' view.

It has been approved that Pastoral Time Limited will go into voluntary liquidation effective immediately and its assets will be distributed to Jatcorp and its other owners, once finalised after year end.

Year ended 30 June 2023

During the previous financial year, the Group sold Green Forest International Pty Ltd and KTPD Holdings Pty Ltd ('Green Forest Group') for consideration of $200 resulting in a loss on disposal before income tax of $1,761,643. The decision to make the disposal was due to the operations being unprofitable. Due to disposal of the Green Forest Group, the Group has reduced its accumulated losses by $3,319,327.

Note 10. Discontinued operations (continued)

Financial performance information

	2024 $	2023 $
Revenue	23,137,267	21,652,782
Cost of goods sold	(22,995,584)	(21,354,821)
Gross margin	141,683	297,961
Other income	6,286	102,959
Advertising and marketing expenses	-	(182,658)
Consultancy and professional fees	-	(322,081)
Employee benefits expenses	-	(300,691)
Depreciation and amortisation expenses	-	(46,690)
Impairment loss	-	(92,555)
Administration expenses	(194,104)	(81,919)
Other expenses	(33,016)	(19,896)
Finance costs	-	(7,542)
	(227,120)	(1,054,032)
Loss before income tax benefit	(79,151)	(653,112)
Income tax benefit	-	323,037
Loss after income tax benefit	(79,151)	(330,075)
Loan written off	-	(1,761,643)
Income tax expense	-	-
Loss on disposal after income tax expense	-	(1,761,643)
Loss after income tax benefit from discontinued operations	(79,151)	(2,091,718)

Cash flow information

	2024 $	2023 $
Net cash used in operating activities	(253,327)	(357,873)
Net cash (used in)/from investing activities	(88,940)	15,169
Net cash from financing activities	493,592	274,627
Net increase/(decrease) in cash and cash equivalents from discontinued operations	151,325	(68,077)

Note 10. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed in 2023

	2023 $
Cash and cash equivalents	94,040
Trade and other receivables	75,702
Inventories	156,686
Property, plant and equipment	68,799
Total assets	395,227
Trade and other payables	51,151
Borrowings	3,588,410
Provisions	30,193
Total liabilities	3,669,754
Net liabilities	(3,274,527)

Details of the disposal of Green Forest Group

	2023 $
Total sale consideration	200
Derecognition of loan receivable	(1,761,843)
Loss on disposal after income tax	(1,761,643)

Note 11. Earnings per share

	2024 $	2023 $
Earnings/(loss) per share from continuing operations		
Profit/(loss) after income tax	1,679,313	(2,522,974)
Non-controlling interest	583,100	(40,359)
Profit/(loss) after income tax attributable to the owners of Jatcorp Limited	2,262,413	(2,563,333)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	83,266,417	83,266,417
Weighted average number of ordinary shares used in calculating diluted earnings per share	83,266,417	83,266,417

	Cents	Cents
Basic earnings/(loss) per share	2.72	(3.08)
Diluted earnings/(loss) per share	2.72	(3.08)

Note 11. Earnings per share (continued)

	2024 $	2023 $
Loss per share for loss from discontinued operations		
Loss after income tax	(79,151)	(2,091,718)
Non-controlling interest	36,357	178,966
Loss after income tax attributable to the owners of Jatcorp Limited	(42,794)	(1,912,752)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	83,266,417	83,266,417
Weighted average number of ordinary shares used in calculating diluted earnings per share	83,266,417	83,266,417

	Cents	Cents
Basic loss per share	(0.05)	(2.30)
Diluted loss per share	(0.05)	(2.30)

	2024 $	2023 $
Earnings/(loss) per share		
Profit/(loss) after income tax	1,600,162	(4,614,692)
Non-controlling interest	619,457	138,607
Profit/(loss) after income tax attributable to the owners of Jatcorp Limited	2,219,619	(4,476,085)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	83,266,417	83,266,417
Weighted average number of ordinary shares used in calculating diluted earnings per share	83,266,417	83,266,417

	Cents	Cents
Basic earnings/(loss) per share	2.67	(5.38)
Diluted earnings/(loss) per share	2.67	(5.38)

27,745,012 options have been excluded in the above diluted calculations (2023 - 27,745,012 options) as they were anti-dilutive.

Basic EPS has been restated retrospectively for the year ended 2023 due to the share consolidation as discussed in note 24.

Note 12. Cash and cash equivalents

	2024 $	2023 $
Current assets		
Cash at bank	2,069,853	1,805,928
Cash on deposit	-	2,000,000
	2,069,853	3,805,928

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	2,069,853	3,805,928
Cash at bank - classified as held for distribution to owners (note 14)	398,970	-
Balance as per statement of cash flows	2,468,823	3,805,928

Note 13. Trade and other receivables

	2024 $	2023 $
Current assets		
Trade receivables	2,834,415	1,563,411
Supplier deposits	2,176,455	5,886,370
Other receivables	559,840	350,551
Less: Allowance for expected credit losses	(510,433)	(525,414)
	5,060,277	7,274,918
Non-current assets		
Other receivables	305,162	160,125
	5,365,439	7,435,043

Allowance for expected credit losses
The Group has recognised a loss of $11,736 (2023: $30,955) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2024 %	2023 %	2024 $	2023 $	2024 $	2023 $
Trade receivables						
Not overdue	-	-	2,784,754	1,468,994	-	-
0 to 3 months overdue	66.58%	-	21,154	6,864	(14,084)	-
3 to 6 months overdue	100.00%	-	18,809	220	(18,809)	-
Over 6 months overdue	100.00%	23.51%	9,698	87,333	(9,697)	(20,532)
			2,834,415	1,563,411	(42,590)	(20,532)

Note 13. Trade and other receivables (continued)

	Expected credit loss rate 2024 %	Expected credit loss rate 2023 %	Carrying amount 2024 $	Carrying amount 2023 $	Allowance for expected credit losses 2024 $	Allowance for expected credit losses 2023 $
Supplier deposits						
Not overdue	-	-	1,708,613	5,381,488	-	-
0 to 3 months overdue	-	-	-	-	-	-
3 to 6 months overdue	-	-	-	-	-	-
Over 6 months overdue	100.00%	100.00%	467,842	504,882	(467,842)	(504,882)
			2,176,455	5,886,370	(467,842)	(504,882)

Movements in the allowance for expected credit losses are as follows:

	2024 $	2023 $
Opening balance	525,414	494,459
Additional provisions recognised	-	30,955
Provisions utilised	(14,981)	-
Closing balance	510,433	525,414

Note 14. Assets of disposal groups classified as held for distribution to owners

	2024 $	2023 $
Current assets		
Cash at bank	398,970	-
Inventories	191,952	-
	590,922	-

During the year, the Group has decided to voluntarily liquidate one of its subsidiaries, Pastoral Time Limited. Refer to note 10 for further details.

The assets have therefore been classified as held for distribution to owners as at year ended 30 June 2024.

Upon liquidation, the assets will be distributed to the owners as follows:

- Cash amounting to $297,440 will be distributed to Jatcorp Limited as part of divesting shares held by JAT HK Limited.
- Cash amounting to $101,541 will be distributed to Pinehills Limited as part of divesting shares held by Pinehills HK Limited.
- Inventories amounting to $191,952 will be distributed to Pinehills Limited as part of divesting shares held by Pinehills and HK Justime Trading Limited.

Note 15. Inventories

	2024 $	2023 $
Current assets		
Finished goods	961,597	1,302,271
Raw materials	2,853,836	3,670,361
Stock in transit	81,742	70,971
Packaging materials	768,318	611,138
Less: Provision for impairment	(826,957)	(920,358)
	3,838,536	4,734,383

Note 16. Property, plant and equipment

	2024 $	2023 $
Non-current assets		
Property - at cost	1,279,264	1,279,264
Less: Accumulated depreciation	(40,137)	(30,579)
	1,239,127	1,248,685
Plant and equipment - at cost	5,539,122	5,287,080
Less: Accumulated depreciation	(2,004,378)	(1,687,924)
	3,534,744	3,599,156
	4,773,871	4,847,841

Reconciliations

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

	Property $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2022	1,258,283	3,677,404	165,822	5,101,509
Additions	-	229,087	-	229,087
Disposals	-	-	(165,822)	(165,822)
Depreciation expense	(9,598)	(307,335)	-	(316,933)
Balance at 30 June 2023	1,248,685	3,599,156	-	4,847,841
Additions	-	533,886	-	533,886
Disposals	-	(223,479)	-	(223,479)
Depreciation expense	(9,558)	(374,819)	-	(384,377)
Balance at 30 June 2024	1,239,127	3,534,744	-	4,773,871

Note 17. Right-of-use assets

	2024 $	2023 $
Non-current assets		
Land and buildings - right-of-use	6,060,997	4,560,906
Less: Accumulated depreciation	(334,861)	(2,067,512)
	5,726,136	2,493,394

The Group leases land and buildings for its offices, warehouses and retail outlets under agreements of between 3 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

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

	Land and buildings - right-of-use $
Balance at 1 July 2022	3,529,811
Additions	404,217
Lease modifications	(982,241)
Depreciation expense	(458,393)
Balance at 30 June 2023	2,493,394
Additions	3,770,073
Depreciation expense	(537,331)
Balance at 30 June 2024	5,726,136

For other AASB 16 lease disclosures refer to:
- note 8 for depreciation on right-of-use assets, interest on lease liabilities and other lease expenses;
- note 22 for lease liabilities at the reporting date;
- note 27 for undiscounted future lease commitments; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 18. Intangible assets

	2024 $	2023 $
Non-current assets		
Goodwill - at cost	2,347,482	2,347,482
Trade names - at cost	597,000	597,000
Less: Accumulated amortisation	(341,517)	(281,817)
	255,483	315,183
Trade marks - at cost	105,545	-
Less: Accumulated amortisation	(9,815)	-
	95,730	-
Customer relationships - at cost	2,830,000	2,830,000
Less: Accumulated amortisation	(2,027,316)	(1,975,337)
Less: Impairment	(802,684)	(802,684)
	-	51,979
Import licence - at cost	12,353,275	12,353,275
Less: Accumulated amortisation	(1,703,900)	(1,703,900)
Less: Impairment	(10,649,375)	(10,649,375)
	-	-
	2,698,695	2,714,644

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

	Goodwill $	Trade names $	Trade marks $	Customer relationships $	Total $
Balance at 1 July 2022	2,347,482	374,883	-	237,979	2,960,344
Amortisation expense	-	(59,700)	-	(186,000)	(245,700)
Balance at 30 June 2023	2,347,482	315,183	-	51,979	2,714,644
Additions	-	-	105,545	-	105,545
Amortisation expense	-	(59,700)	(9,815)	(51,979)	(121,494)
Balance at 30 June 2024	2,347,482	255,483	95,730	-	2,698,695

Impairment testing
Goodwill acquired through business combinations has been allocated to the cash-generating unit, Sunnya Pty Ltd ("Sunnya CGU").

The recoverable amount of the Group’s goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 3 year projection period approved by management and a further 2 years using a steady rate together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for Sunnya CGU:
- 12.5% (2023: 12.5%) pre-tax discount rate;
- 12.4% (2023: 13%) per annum projected revenue growth rate; and
- 8% (2023: 8%) per annum increase in operating costs and overheads.

Note 18. Intangible assets (continued)

The discount rate of 12.5% pre-tax reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for Sunnya , the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected 12.4% revenue growth rate is prudent and justified, based on the general slowing in the market.

Compared to prior years, management has reduced their estimation of the increase in operating costs and overheads, due to the lower legal fee and also an effort by the Group to contain costs.

There were no other key assumptions for Sunnya CGU.

Based on the above, no impairment charge has been applied as the carrying amount of goodwill exceeded its recoverable amount of Sunnya CGU.

Sensitivity

As disclosed in note 3, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to decrease by more than 84% before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by 112.5% before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of Sunnya CGU's goodwill is based would not cause its carrying amount to exceed its recoverable amount.

Note 19. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	2,350,577	1,681,436
Sundry accruals and other payables	1,223,123	123,085
	3,573,700	1,804,521

Refer to note 27 for further information on financial instruments.

Note 20. Contract liabilities

	2024 $	2023 $
Current liabilities		
Contract liabilities	2,830,958	7,578,507
Non-current liabilities		
Contract liabilities	185,329	-
	3,016,287	7,578,507

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

	2024 $	2023 $
Opening balance	7,578,507	3,698,395
Payments received in advance	16,602,671	18,216,041
Transfer to revenue - included in the opening balance	(21,164,891)	(14,335,929)
Closing balance	3,016,287	7,578,507

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $3,016,287 as at 30 June 2024 ($7,578,507 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	2024 $	2023 $
Within 6 months	2,830,958	7,578,507
6 to 12 months	-	-
12 to 18 months	185,329	-
	3,016,287	7,578,507

Note 21. Borrowings

	2024 $	2023 $
Current liabilities		
Loan - Shareholders*	1,390,917	1,390,917
Loan - Others	-	3,330
Loan - BTNature	-	1,007,890
Credit card	294,312	771,480
	1,685,229	3,173,617

* Loans from shareholders have no fixed repayment terms.

Refer to note 27 for further information on financial instruments.

Note 21. Borrowings (continued)

Interest rates

	2024 %	2023 %
Loan - Shareholders	-	-
Loan - Others	-	-
Loan - BTNature	-	9.6%
Credit card (late payment on the balance)	36.0%	36.0%

Assets pledged as security
The loans and credit card facilities are unsecured.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	2024 $	2023 $
Total facilities		
Credit card	457,000	900,000
Used at the reporting date		
Credit card	294,312	771,480
Unused at the reporting date		
Credit card	162,688	128,520

Note 22. Lease liabilities

	2024 $	2023 $
Current liabilities		
Lease liability	423,796	540,666
Non-current liabilities		
Lease liability	5,285,600	2,223,663
	5,709,396	2,764,329

Refer to note 27 for further information on financial instruments.

Note 23. Provisions

	2024 $	2023 $
Current liabilities		
Employee benefits	379,712	335,978
Non-current liabilities		
Employee benefits	63,290	40,041
Lease make good	102,700	173,845
	165,990	213,886
	545,702	549,864

Note 23. Provisions (continued)

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2024	Lease make good $
Carrying amount at the start of the year	173,845
Amounts used	(71,145)
Carrying amount at the end of the year	102,700

Note 24. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	83,266,417	2,497,951,839	90,231,570	90,231,570

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance*	1 July 2022	2,141,101,576		85,981,706
Share allotment during the year	1 July 2022	356,850,263	$0.000	4,249,864
Balance	30 June 2023	2,497,951,839		90,231,570
Consolidation of shares**	12 September 2023	(2,414,685,422)		-
Balance	30 June 2024	83,266,417		90,231,570

* 7,361,900 ordinary fully paid shares ("Error Shares") were issued to shareholders on 11 December 2017 due to an error. No payment was received from shareholders of Error Shares. Jatcorp Limited is in the process of undertaking a buyback of the Error Shares pursuant to section 257A of the Corporations Act. The buyback agreements, which are subject to shareholder approval, are in the process of being completed with the holders of the Error Shares. Once these agreements have been completed, the buyback will be completed for no consideration payable to holders of the Error Shares .At the general meeting of shareholders on 29 January 2021, a resolution was passed approving the cancellation of up to 3,861,900 ordinary shares in the Company. A total of 1,400,000 of ordinary shares have been bought back and cancelled in 2022. There are a further 840,000 shares which were issued in error which continue to be held by shareholders who have not yet entered into buy-back agreement. JAT will continue to take appropriate action against those shareholders, including possible court proceedings to seek orders for cancellation of those shares.

** A general meeting of shareholders was held on 12 September 2023 where a resolution to consolidate the share capital of the Company on a 30 for one basis, with fractional holdings rounded up to the nearest whole number, was passed.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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.

Note 24. Issued capital (continued)

Share buy-back
There is no current on-market share buyback, except for those relating to the Error Shares, as explained above.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies. The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year. The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

Note 25. Reserve

	2024 $	2023 $
Other reserve	(2,324,120)	-

Other reserve
The other reserve records the difference between the amount paid by the parent entity to acquire non-controlling interests in subsidiaries and the book value recorded in the financial statements of such non-controlling interests.

Movements in reserve
Movements in each class of reserve during the current and previous financial year are set out below:

	Other reserve $
Balance at 1 July 2022	-
Balance at 30 June 2023	-
Acquisition of controlled entities	(2,324,120)
Balance at 30 June 2024	(2,324,120)

Note 26. Non-controlling interest

	2024 $	2023 $
Issued capital from non-controlled entity	293,602	-
Deconsolidated disposed subsidiaries	1,652,778	1,652,778
Acquisition of controlled subsidiaries	825,108	-
(Accumulated losses)/retained profits	(115,410)	504,047
	2,656,078	2,156,825

Note 27. Financial instruments

Financial risk management
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's financial instruments consist mainly of deposits with banks, financial assets, trade and other receivables (current and non-current), trade and other payables and borrowings (current and non-current).

	Note	2024 $	2023 $
Financial assets			
Cash and cash equivalents	12	2,468,823	3,805,928
Trade and other receivables (current and noncurrent)	13	5,365,439	7,435,043
Total		7,834,262	11,240,971
Financial liabilities			
Trade and other payables	19	3,573,700	1,804,521
Contract liabilities (current and non-current)	20	3,016,287	7,578,507
Borrowings (current and non-current)	21	1,685,229	3,173,617
Total		8,275,216	12,556,645

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future loss ability or the fair values of financial instruments. The Group is not exposed to material interest rate risk as majority of its borrowing arrangements are at fixed rate, which minimises any short-term downside impact of interest rate increase but limits any benefit from interest rate reductions.

At 30 June 2024 the Group held cash in low interest-bearing accounts. The Directors do not consider that any reasonably possible movement in interest rates would cause a material effect on Group's performance or equity.

Foreign exchange risk
Foreign exchange risk arises from commercial transactions and assets and liabilities held in a currency that is not the entity's functional currency, which is Australian dollars. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group enters into transactions in US dollar and Chinese RMB and is exposed to currency risk arising from movements in these foreign currencies against AUD dollar. To mitigate foreign currency risk for US dollar and RMB transactions and to avoid the need for currency hedging the Group holds and trades in the relevant currency. Losses are then recovered by transfers of cash at a time the exchange rate is deemed favourable. The Group has 2 USD foreign currency bank accounts and the balance of these accounts at 30 June 2024 was $66,984 in AUD (2023: $87,581). The Directors do not consider that any reasonably possible movement in foreign currency rates would cause a material effect on Group's performance or equity given transactions are predominantly carried out in AUD.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The objective of the Group is to minimise the risk of loss from credit risk exposure.

Credit risk arises from cash and cash equivalents, deposits and banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

Credit risk is managed on a Group basis. The credit risk for cash and cash equivalents and deposits with banks and financial institutions is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Note 27. Financial instruments (continued)

Management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set. The compliance with credit limits by wholesale customers is regularly monitored by line management.

Sales to retail customers are settled in cash or using major credit cards. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

In respect of the Group, credit risk relates to loans with its subsidiary. In order to achieve stated corporate objectives, the parent entity provides financial support to its subsidiaries but only to the level which the Board considers necessary to achieve these objectives and meets agreed conditions. The management believes the loans to its subsidiaries are fully recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated its obligation as they fall due. To manage this risk, the Group maintains sufficient liquidity by holding cash in readily accessible accounts. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group’s terms of sales require amounts to be paid within 30 to 60 days of sale. Trade payables are normally settled within 30 days. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

The Group has financial assets amounting to $7,834,262 which are receivable within 12 months as of 30 June 2024. The Group has financial liabilities of $8,891,878 maturing within 12 months as of 30 June 2024, of which $2,830,958 related to customer deposits.

The table below summarises the maturity profile of the Group’s financial liabilities based on contractual/non-contractual undiscounted payments.

2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables and other payables	-	3,573,700	-	-	-	3,573,700
Contract liabilities	-	2,830,958	185,329	-	-	3,016,287
Loan - Shareholders	-	1,390,917	-	-	-	1,390,917
Interest-bearing - fixed rate						
Lease liability	6.02%	801,991	760,947	2,137,046	4,020,885	7,720,869
Credit card (36% per annum on late payment balance)	-	294,312	-	-	-	294,312
Total non-derivatives		8,891,878	946,276	2,137,046	4,020,885	15,996,085

Note 27. Financial instruments (continued)

2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables and other payables	-	1,804,521	-	-	-	1,804,521
Contract liabilities	-	7,578,507	-	-	-	7,578,507
Loan - Shareholders	-	1,390,917	-	-	-	1,390,917
Loan - BTNature	-	3,330	-	-	-	3,330
Interest-bearing - fixed rate						
Lease liability	4.67%	554,290	649,904	1,601,991	505,332	3,311,517
Loan - BTNature	9.60%	1,007,890	3,004	-	-	1,010,894
Credit card (36% per annum on late payment balance)	-	771,480	-	-	-	771,480
Total non-derivatives		13,110,935	652,908	1,601,991	505,332	15,871,166

Note 28. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2024 $	2023 $
Short-term benefits	998,513	1,072,618
Post-employment benefits	84,204	101,610
Long-term benefits	4,236	450
	1,086,953	1,174,678

The total amount includes salary, superannuation, annual leave, consultancy fee, directors' fee and short-term incentives.

These amounts include fees and benefits paid to the Chairman, Executive Director and Non-Executive Directors as well as all salary, paid leave benefits, short-term incentive payments awarded to each KMP. There were no transactions with KMP during the financial year ended 30 June 2024 or 30 June 2023 other than noted here, in the remuneration report, and note 29.

Note 29. Related party transactions

Parent entity
Jatcorp Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the Directors' report.

Note 29. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	2024 $	2023 $
Sale of goods:		
Director related companies		
- Pacific Healthy International Holding Pty Ltd	3,049,511	2,376,814
Payment for services:		
Director related companies - payment of marketing services		
- Pacific Healthy International Holding Pty Ltd	527,527	271,121
- Pacific Healthy ANZ Pty Ltd	-	18,182
- HLW investments Pty	-	72,000

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	2024 $	2023 $
Trade receivable		
- Pacific Healthy International Holding Pty Ltd	-	160,672

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest*	
Name	Principal place of business / Country of incorporation	2024 %	2023 %
LTR trading PTY LTD	Australia	100%	100%
Golden Koala Group Pty Ltd[3]	Australia	51%	51%
LTVM Pty Ltd	Australia	51%	51%
Sunnya Pty Ltd	Australia	51%	51%
Jatpharm Pty Ltd[3]	Australia	55%	55%
Australian Natural Milk Association Pty Ltd (ANMA)[1]	Australia	95%	65%
Cobbity Country Pty Ltd	Australia	100%	100%
JatHealth Pty Ltd[3]	Australia	51%	51%
Jat HK LTD	Hong Kong	100%	100%
Pastoral Time Ltd[2]	Hong Kong	51%	51%
Jat Estates Pty Ltd[4]	Australia	-	85%

1 The Group acquired an additional 30% in ANMA for $1,500,000 in November 2023. The difference between the amount paid by the parent entity to acquire the additional 30% and the book value recorded in the financial statements of ANMA was recognised within Other reserve account. Refer to note 25 for further details.
2 Pastoral Time Ltd is in the process of being deregistered and has been classified as discontinuing operations for the year ended 30 June 2024.
3 These entities did not carry out any business activities during year ended 30 June 2024.
4 Jat Estates Pty Ltd was deregistered in November 2023.

Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2024 $	Parent 2023 $
Profit/(loss) after income tax	2,123,871	(7,701,308)
Total comprehensive income/(loss)	2,123,871	(7,701,308)

Statement of financial position

	Parent 2024 $	Parent 2023 $
Total current assets	1,363,435	4,594,553
Total non-current assets	3,419,063	2,050,369
Total assets	4,782,498	6,644,922
Total current liabilities	1,290,831	5,204,225
Total non-current liabilities	152,954	225,855
Total liabilities	1,443,785	5,430,080
Equity		
Issued capital	90,231,570	90,231,570
Accumulated losses	(86,892,857)	(89,016,728)
Total equity	3,338,713	1,214,842

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 32. Share-based payments

The following options were outstanding as at year end:

Note 32. Share-based payments (continued)

(a) 321,087,429 options were issued during the year 2022 to participants in the pro rata non-renounceable non-underwritten rights exercisable at $0.032 and expiring on the same date as the Placement Options and are the same class as the Placement Options (Rights Options Offer). No funds will be raised from the issue of the Rights Options;

(b) 35,762,834 Options (Shortfall Options) were issued during the year 2022 to participants in the shortfall of the Rights Issue exercisable at $0.032 and expiring on the same date as the Placement Options and are the same class as the Placement Options (Shortfall Options Offer). No funds will be raised from the issue of the Rights Options;

(c) 275,500,000 Options (Placement Options) were issued during the year 2022 to sophisticated and professional investors who participated in the placement announced by the Company on 31 March 2022 (Placement), exercisable at $0.032 each on or before two (2) years from the date of issue (Placement Options Offer). No funds will be raised from the issue of the Placement Options; and

(d) 200,000,000 Options (Lead Manager Options) were issued during the year 2022 to the Lead Manager (or its nominees) exercisable at $0.032 and expiring on the same date as the Placement Options and are the same class as the Placement Options. No funds will be raised from the issue of the Lead Manager Options (Lead Manager Options Offer).

Options

Set out below are summaries of options granted under the above-mentioned plans:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted/ Exercised*	Expired	Share consolidation**	Balance at the end of the year
29/07/2021	29/07/2023	$0.050	112,916,671	-	(112,916,671)	-	-
01/07/2022	24/08/2024	$0.960	321,087,429	-	-	(310,384,514)	10,702,915
07/07/2022	24/08/2024	$0.960	35,762,834	-	-	(34,570,740)	1,192,094
26/08/2022	24/08/2024	$0.960	275,500,000	-	-	(266,316,667)	9,183,333
30/11/2022	24/08/2024	$0.960	200,000,000	-	-	(193,333,330)	6,666,670
			945,266,934	-	(112,916,671)	(804,605,251)	27,745,012
Weighted average exercise price			$0.000	$0.000	$0.000	$0.000	$0.000

* There were no options granted or exercised during the year.

** A general meeting of shareholders was held on 12 September 2023 where a resolution to consolidate the share capital of the Company on a 30 for one basis, with fractional holdings rounded up to the nearest whole number, was passed.

As a result of this share consolidation, the options outstanding as at that date (i.e. with expiry date of 24 August 2024) were changed due to share consolidation. The number of options over shares was divided by 30 and the respective exercise prices multiplied divided by 30 such that the fair value of the grants remained unchanged.

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
08/07/2020	08/07/2022	$0.100	4,000,000	-	(4,000,000)	-	-
29/01/2021	29/01/2023	$0.060	89,408,886	-	(89,408,886)	-	-
29/07/2021	29/07/2023	$0.050	112,916,671	-	-	-	112,916,671
01/07/2022	24/08/2024	$0.032	-	321,087,429	-	-	321,087,429
07/07/2022	24/08/2024	$0.032	-	35,762,834	-	-	35,762,834
26/08/2022	24/08/2024	$0.032	-	275,500,000	-	-	275,500,000
30/11/2022	24/08/2024	$0.032	-	200,000,000	-	-	200,000,000
			206,325,557	832,350,263	(93,408,886)	-	945,266,934
Weighted average exercise price			$0.060	$0.032	$0.062	$0.000	$0.034

Note 32. Share-based payments (continued)

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2024 Number	2023 Number
29/07/2021	29/07/2023	-	112,916,671
01/07/2022	24/08/2024	10,702,915	321,087,429
07/07/2022	24/08/2024	1,192,094	35,762,834
26/08/2022	24/08/2024	9,183,333	275,500,000
30/11/2022	24/08/2024	6,666,670	200,000,000
		27,745,012	945,266,934

The weighted average share price during the financial year was $0.478 (2023: $0.410).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.15 year (2023: 1 year).

Performance rights

There were no performance rights issued in 2024.

Set out below is the movement in performance rights during the year ended 30 June 2023:

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
27/01/2022		$0.000	10,000,000	-	-	(10,000,000)	-
			10,000,000	-	-	(10,000,000)	-

Note 33. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	2024 $	2023 $
Audit services - RSM Australia Partners		
Audit or review of the financial statements	115,000	90,000

Note 34. Cash flow information

Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	2024 $	2023 $
Profit/(loss) after income tax (expense)/benefit for the year	1,600,162	(4,614,692)
Adjustments for:		
Depreciation and amortisation	1,043,202	1,021,026
Impairment loss	11,736	742,312
Inventory written off	-	459,261
Loan written off	-	1,761,643
Gain on remeasurement of leases	(255,086)	-
Net loss on disposal of subsidiaries	-	404,190
Net loss on disposal of property, plant and equipment	(213,149)	-
Finance costs in leases	-	123,374
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	2,070,704	(5,531,156)
Decrease in inventories	703,895	212,385
Decrease in income tax refund due	12,774	-
Increase in deferred tax assets	(34,783)	(486,147)
Increase in other operating assets	(11,736)	-
Increase in trade and other payables	2,061,681	899,173
(Decrease)/increase in contract liabilities	(4,562,220)	3,880,112
Increase/(decrease) in provision for income tax	396,310	(52,782)
(Decrease)/increase in other provisions	(4,162)	217,811
Net cash from/(used in) operating activities	2,819,328	(963,490)

Non-cash investing and financing activities

	2024 $	2023 $
Additions to the right-of-use assets	3,770,073	404,217
Leasehold improvements - lease make good	-	173,845
Gain on remeasurement of leases	255,086	-
	4,025,159	578,062

Note 34. Cash flow information (continued)

Changes in liabilities arising from financing activities

	Loan - Shareholders $	Loan - Others $	Loan - BTNature $	Credit card facilities $	Lease liability $	Total $
Balance at 1 July 2022	2,914,472	258,679	-	133,201	4,032,295	7,338,647
Net cash (used in)/from financing activities	(1,523,555)	(255,349)	1,007,890	638,279	(554,505)	(687,240)
Acquisition of leases	-	-	-	-	404,217	404,217
Lease modifications	-	-	-	-	(982,041)	(982,041)
Other changes	-	-	-	-	(135,637)	(135,637)
Balance at 30 June 2023	1,390,917	3,330	1,007,890	771,480	2,764,329	5,937,946
Net cash used in financing activities	-	(3,330)	(1,007,890)	(477,168)	(568,932)	(2,057,320)
Acquisition of leases	-	-	-	-	3,770,073	3,770,073
Lease modifications	-	-	-	-	(255,086)	(255,086)
Balance at 30 June 2024	1,390,917	-	-	294,312	5,710,384	7,395,613

Note 35. Contingencies and commitments

The Group has given bank guarantees as at 30 June 2024 of $305,162 (2023: $305,162) to various landlords.

Legal proceedings of Sunnya Pty Ltd
Jatcorp Limited, along with its subsidiary Sunnya Pty Ltd, has made progress in a legal dispute against former directors Mr Yinghan He, Ms Yanxia Lu, and associated entities, including New Zealand suppliers known as the Wu Parties. This litigation has been pivotal in safeguarding Jatcorp's intellectual property rights, particularly concerning the Neurio and Guamis trademarks.

In April 2024, the Supreme Court of NSW delivered a decisive 400-page judgment in favour of Jatcorp and Sunnya. The Court confirmed Sunnya's rightful ownership of the Neurio and Guamis trademarks in Australia and New Zealand. The judgment included permanent injunctions against the defendants, effectively preventing them from further exploiting these trademarks or interfering with Sunnya's business operations.

Subsequently, in June 2024, the Court issued a costs judgment, awarding Jatcorp and Sunnya their legal costs on an indemnity basis due to the defendants' misconduct. This judgment represents a milestone in our efforts to protect and enforce our intellectual property rights.

Legal proceeding vs Wilton Yao
As announced on 10 January 2023, the employment of former director and CEO of the Company, Wilton Yao, was terminated. He has since brought proceedings against the Company claiming damages for the termination of his employment contract. The Company has rejected his claim as without merit and will defend the proceedings. The Company will further update on the progress.

Apart from the above, no other matters or circumstances have arisen during the year which significantly affected or could significantly affect the operations of the Group, the results of these operations or the state of affairs of the Group in future financial years.

Note 36. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Jatcorp Limited	Body Corporate	Australia		Australia
LTR trading PTY LTD	Body Corporate	Australia	100%	Australia
Golden Koala Group Pty Ltd*	Body Corporate	Australia	51%	Australia
LTVM Pty Ltd	Body Corporate	Australia	51%	Australia
Sunnya Pty Ltd	Body Corporate	Australia	51%	Australia
Jatpharm Pty Ltd*	Body Corporate	Australia	55%	Australia
Australian Natural Milk Association Pty Ltd	Body Corporate	Australia	95%	Australia
Cobbity Country Pty Ltd	Body Corporate	Australia	100%	Australia
JatHealth Pty Ltd*	Body Corporate	Australia	51%	Australia
Jat HK LTD	Body Corporate	Hong Kong	100%	Hong Kong
Pastoral Time Ltd**	Body Corporate	Hong Kong	51%	Hong Kong

* These entities did not carry out any business activities during year ended 30 June 2024.

** Pastoral Time Ltd is in the process of being deregistered and has been classified as discontinuing operations for the year ended 30 June 2024.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

- 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 information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the Directors

Sunny Jian Xin Liang
Chief Executive Officer and Executive Director

29 August 2024
Sydney

RSM

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INDEPENDENT AUDITOR'S REPORT

To the Members of Jatcorp Limited

Opinion

We have audited the financial report of Jatcorp Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information and the consolidated entity disclosure statement and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; 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 Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including independence standards*) (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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net profit of $1,600,162 and had net cash inflows from operating activities of $2,819,328 for the year ended 30 June 2024. The ability of the Group to continue as a going concern is dependent on its ability to generate positive operating cash flows through its continued operations. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Goodwill Refer to Note 18 in the financial statements	

At 30 June 2024, the Group held goodwill with a carrying amount of $2,347,482, which represents approximately 9% of the Group's total assets. The goodwill is related to the acquisition of Sunnya Pty Ltd.
 	
As required under AASB 136, goodwill and indefinite life intangible assets are tested for impairment at least annually.
 	
As goodwill does not generate cashflows that are largely independent from other assets, its recoverable amount was determined by calculating the recoverable amount of the cash generating unit ("CGU") to which it belongs. This recoverable amount was then compared to the CGU's carrying amount. In this instance, the recoverable amount was determined to be its value in use.
 	
We determined the impairment review of goodwill to be a Key Audit Matter because of the materiality of the goodwill balance, and because of the significant management judgments and assumptions used to determine the value in use of the CGU which contains it.
 	
Namely, the calculation of the recoverable amount of the CGU involves judgements about the future underlying cashflows of the CGU, estimated growth rates for the CGU for the next 5 years as well as in perpetuity, and judgments of an appropriate discount rate to apply to the estimated cashflows.
	Our audit procedures in relation to goodwill impairment assessment included:
	
	• Holding discussions with management, reviewing the Group's ASX announcement and reading minutes of the directors' meetings to gather sufficient information regarding the operations of the current reporting period, as well as the expectations going forward;
	• Making enquiries of management about the understanding of management's annual goodwill impairment testing process;
	• Assessing the valuation methodology used to determine the recoverable amount of the Goodwill;
	• Evaluating the methods and assumptions used to estimate the present value of future cash inflows of the CGU, including an challenging the reasonableness of the following:
	  - Future growth rates;
	  - Discount rates;
	  - Terminal value methodology;
	  - The nature and quantum of cashflows included in the model;
	• Reviewing management's sensitivity analysis over the key assumptions used in the models, including the consideration of the available headroom and assessing whether the assumptions had been applied on a consistent basis across each scenario;
	• Checking the mathematical accuracy of the cashflow model and reconciling input data to supporting evidence, such as approved budgets,

	and considering the reasonableness of the evidence (such as budgets); and • Reviewing the completeness and accuracy of the disclosures included in the financial report to ensure compliance with Australian Accounting Standards.
Revenue Refer to Note 5 in the financial statements	
Revenue for the year ended 30 June 2024 was $52,458,754. The primary revenue stream is sales of goods. Revenue is considered to be a Key Audit Matter because revenue is generated from sales of high volumes of low value items, so a systemic error could materially impact revenue recognition. The auditing standards presume an inherent risk of fraud relating to revenue recognition.	Our audit procedures in relation to revenue recognition included: • Obtaining an understanding of the processes and controls in regards to revenue recognition; • Assess the appropriateness of the Group's accounting policies for the recognition and measurement of revenue against the requirements of AASB 15 Revenue from Contracts with Customers; • Carrying out tests of controls over occurrence and accuracy of revenue, to test the effectiveness of the controls; • Performing tests of details on a sample basis to test the occurrence and accuracy of revenue. The detailed testing included agreeing transactions to the sales invoice, agreeing the delivery of goods to proof of delivery, agreeing the receipt of cash to bank statements; • Performing specific targeted cut-off testing over transactions recorded either side of the period end, to ensure that revenues were recorded in the appropriate period; and • Assessing the appropriateness of the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the 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:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

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

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 15 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Jatcorp Limited, for the year ended 30 June 2024, complies with section 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 section 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.

RSM Australia Partners

Digitally signed by RSM Australia Partners
Date: 2024.08.29 15:26:46 +10'00'

Louis Quintal
Partner

RSM Australia Partners

Louis Quintal

Digitally signed by Louis Quintal
Date: 2024.08.29 15:26:59 +10'00'

Sydney, NSW
Dated 29 August 2024

The shareholder information set out below was applicable as at 30 June 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares			Options over ordinary shares		
	Number of holders	Number issued	% of total shares issued	Number of holders	Number issued	% of total options issued
1 to 1,000	1,313	521,686	0.63	89	27,696	0.10
1,001 to 5,000	856	2,148,368	2.58	55	158,368	0.57
5,001 to 10,000	229	1,631,255	1.96	16	115,455	0.42
10,001 to 100,000	332	9,993,620	12.00	65	2,260,772	8.15
100,001 and over	77	68,971,488	82.83	26	25,182,829	90.76
	2,807	83,266,417	100.00	251	27,745,120	100.00

Total number of holders of less than a marketable parcel of ordinary shares: 1,700.

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
GOLD BRICK CAPITAL PTY LTD (GOLD BRICK CAPITAL UNIT A/C)	19,499,711	23.42
MR SIMON LIN	4,023,334	4.83
GOLDEN LUCKY STAR PTY LTD (RONGJUN ZHAO FAMILY A/C)	2,766,667	3.32
C&L CHEN PTY LTD (C&L CHEN LI SF A/C)	2,579,419	3.10
SAPERE AUDE CAPITAL GROUP LTD	2,454,803	2.95
GOLD BRICK CAPITAL PTY LTD	2,110,522	2.53
GOLDCARAVEL ASSET MANAGEMENT PTY LTD (GOLD-CARAVEL 2 UNIT A/C)	1,960,266	2.35
FINCLEAR SERVICES PTY LTD (SUPERHERO SECURITIES A/C)	1,894,488	2.28
KINGSTONE CAPITAL PTY LTD	1,721,026	2.07
SDD HOLDINGS PTY LTD	1,672,495	2.01
MR MAN SING LAM	1,586,497	1.91
MR ZHONGLIANG WANG	1,453,167	1.75
MR WENKUI HU	1,385,965	1.66
GOLDCARAVEL ASSET MANAGEMENT PTY LTD (GOLD-CARAVEL 2 A/C)	1,308,753	1.57
MS JINYU LIU	1,290,000	1.55
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT)	1,175,795	1.41
VALPO INVEST PTY LTD (ZHAO SONG FAMILY A/C)	1,100,000	1.32
MR PAUL AINSWORTH	966,667	1.16
KINGSTONE CAPITAL PTY LTD	942,278	1.13
MS DONGMEI HUA	851,448	1.02
	52,743,301	63.34

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
GOLD BRICK CAPITAL PTY LTD (Notice dated 04/06/2024)	21,610,233	25.95

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

Ordinary shares
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.

There are no other classes of equity securities.

Directors	Mr Sunny Jian Xin Liang - Chief Executive Officer and Executive Director Mr Peng Shen - Non-Executive Chairman Mr Zhan Wang - Managing Director Mr Kieran Pryke - Non-Executive Director
Company secretary	Oliver Carton
Registered office	Suite 502 2 Bligh Street Sydney, NSW 2000
Share register	Automic Registry Services Level 5 126 Phillip Street Sydney, NSW 2000
Auditor	RSM Australia Partners Level 13 60 Castlereagh Street Sydney, NSW 2000
Stock exchange listing	Jatcorp Limited shares are listed on the Australian Securities Exchange (ASX code: JAT)
Website	www.jatcorp.com