

LangTech International Pty Ltd ACN 149 225 972 and its controlled entities

Consolidated Financial Report for the Year Ended 30 June 2015

DIRECTORS' REPORT

Your directors present their report on the Group for the financial period ended 30 June 2015.

Directors

The names of the directors in office at any time during or since the end of the year are:

Mr Domenic Martino

Mr Timothy Lang

Mr Bill Nikolovski

Mr Jonathan Middis (resigned 27 July 2015)

Review of Operations

The Group comprises LangTech International Pty Ltd (the Company or LTI), its 100% owned subsidiaries LangTech Citrus Pty Ltd (LTC), LangTech Bottling Pty Ltd (LTB), Roxdale Foods Limited (Roxdale) (based in New Zealand), and its 33% interest in Treated Timber Remediation Pty Ltd (TTR) (which remains in start up phase).

LTI and Roxdale commenced operations on 29 March 2011 with the acquisition of the business owned by Lang Technologies Pty Ltd. LTC was incorporated on 6 March 2012 and commenced business in June 2012. During financial year 2014, LTB and TTR were incorporated to conduct the business of the bottling of juice (or co-packing) for third parties and the processing of CCA treated timber to remove copper, chromium and arsenate, respectively. LTB commenced full production on 26 May 2014, while TTR remains in start up phase.

The operations of the business comprise the manufacture of a range of functional juices, fruit fibres, infused fruits, fruit waters, infused waters, bioactives, orange oil and concentrates for sale as branded products and/or ingredients, the provision of co-packing and logistics services to third parties, the application of various innovative food related technologies to develop new functional food products and ingredients, and associated services and activities.

During the course of the year, the Company:

- Fully integrated the bottling business it acquired from H.J. Heinz on 26 May 2014;
- Developed a number of new brands for the local and export markets including the Hi-Fi brand (a retail fibre product) and the Australia's Garden brand (a retail brand for juice, infused fruits, baby food, and fibre);
- Grew its positioning in export markets through entering into strategic relationships with key Asian partners and through selling its infused fruit products into new export markets;
- Completed the relocation of its Laverton facility to Mill Park, Victoria (non-recurring cost of \$2.25m);
- Was awarded the Victorian Manufacturing Hall of Fame Award for Food and Fibre Processing (a Victorian Government Initiative); and
- Began preparation for a reverse takeover (RTO) of ASX listed Crest Minerals Limited (ASX: CTT) and capital raising transaction, to facilitate an ASX listing of the Company. See Subsequent Events for further detail.

The loss of the Group for the financial year amounted to \$3,770,352 (2014: \$9,698,697). This loss included \$3,000,197 of one-off items comprising: (a) \$2,251,850 of relocation costs associated with moving the Laverton operations Mill Park; (b) \$478,229 of under utilised Laverton direct labour cost held through the relocation period;

DIRECTORS' REPORT

(c) \$135,118 of transaction costs; and (d) \$135,000 of lease costs not utilised in the operating business. Normalised EBITDA removing the impact of the above non-recurring items (as well as ITDA) was \$2,279,207 for the financial year.

Principal Activities

The principal activities of the Group during the financial period were the manufacture of a range of functional juices, fruit fibres, infused fruits, fruit waters, infused waters, bioactives, orange oil and concentrates for sale as branded products and/or ingredients, the provision of co-packing and logistics services to third parties, the application of various innovative food related technologies to develop new functional food products and ingredients, and associated services and activities.

During the year, the Group increased its focus on new product development, developing a number of new brands for the domestic and international markets.

No significant change in the nature of these activities occurred during the period, other than as noted above.

Events Subsequent to the End of the Reporting Period

Subsequent to balance date:

- LTI announced on 28 July 2015 a reverse takeover transaction (RTO) of ASX listed Crest Minerals Limited (ASX: CTT) to facilitate an ASX listing of LTI. As part of this transaction, LTI raised pre-RTO capital of \$2.7m, and will raise a further \$10m to \$12m of capital on completion of the RTO. LTI will also change its name to The Food Revolution Group;
- LTI raised \$2.7m of pre-RTO funding as noted above from 20 August 2015 to 8 October 2015.
- LTI launched two new retail brands (Hi Fi and Juice Lab) into the domestic retail channel, and its Australia's Garden brand into China
- GIM Credit (Luxembourg) S.à.r.l. ("GIM") agreed to support the RTO transaction by providing lender consent and waiver of all debt covenants necessary to facilitate the RTO (subject to the pre-RTO and RTO raisings completing by specified dates). GIM also committed to roll over part of its exit fee into shares in LTI (to be acquired by Crest) and agreed to consider providing a working capital facility to the Company.

Jonathon Middis resigned as a director on 27 July 2015.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is considered speculative.

Environmental Regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No dividends were paid or declared since the start of the financial period.

DIRECTORS' REPORT

Options

No options over issued shares or interests in the company were granted during or since the end of the financial period, save for below.

The Company adopted an employee share option plan (ESOP Plan) in June 2014 and the first grant under that plan occurred in December 2014. The ESOP Plan will be replaced with a new incentive plan more suitable for an ASX listed company.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the company except in respect of Directors' and Officers' Insurance.

Proceedings on Behalf of the Company

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

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

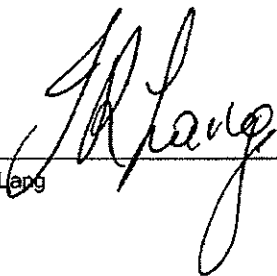
Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the Board of Directors:

Director

Timothy Lang



Dated this 30th day of October 2015

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001

INTENTIONALLY LEAVE BLANK FOR AUDITOR

**LANGTECH INTERNATIONAL PTY LTD
ABN 61 149 225 972
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

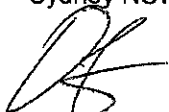
Ph: (612) 9263 2600
Fx: (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

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



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend
Partner

Dated: 30 October 2015

A member of AGN
International Ltd, a
worldwide association
of separate and
independent
accounting
and consulting firms

www.hallchadwick.com.au

SYDNEY • NEWCASTLE • PARRAMATTA • PENRITH • MELBOURNE • PERTH • BRISBANE • GOLD COAST • DARWIN

Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
Revenue	17,311,991	1,976,242
Cost of Sales	(11,019,430)	(2,875,347)
GROSS PROFIT	6,292,561	(899,105)
Other Income	4,104,017	1,405,343
Administration Expenses	(1,960,513)	(1,933,433)
Depreciation and Amortisation	(1,585,541)	(1,222,479)
Employment Costs	(4,030,045)	(1,827,850)
Finance Costs	(1,463,821)	(131,928)
Marketing Costs	(124,239)	(134,450)
Operating Costs	(2,627,908)	(701,089)
Relocation Costs	(2,251,850)	(546,372)
Other Expenses	(123,013)	-
Loss on Asset Written Down	-	(3,707,334)
LOSS BEFORE INCOME TAX	(3,770,352)	(9,698,697)
Income Tax Expense	-	-
LOSS FROM OPERATIONS	(3,770,352)	(9,698,697)
LOSS ATTRIBUTABLE TO:		
Members of the Parent Entity	(3,770,352)	(9,698,697)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	(3,770,352)	(9,698,697)
OTHER COMPREHENSIVE INCOME:		
Exchange Differences on Translation of Foreign Operations	53,504	(4,662)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(3,716,848)	(9,703,359)
LOSS ATTRIBUTABLE TO:		
Members of the Parent Entity	(3,716,848)	(9,703,359)
	(3,716,848)	(9,703,359)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		983,649	1,035,301
Trade and Other Receivables	2	2,411,107	1,748,496
Inventories	3	1,166,143	935,394
Other Assets		4,357	61,261
TOTAL CURRENT ASSETS		4,565,256	3,780,452
NON-CURRENT ASSETS			
Plant and Equipment	4	10,300,388	10,559,085
Intangible Assets	5	768,811	736,702
Other Assets		100,000	100,000
TOTAL NON-CURRENT ASSETS		11,169,199	11,395,787
TOTAL ASSETS		15,734,455	15,176,240
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	6	3,481,699	3,871,304
Provisions	7	278,175	108,408
Loans & Deferred Consideration Liability	8	9,447,896	1,587,960
Current Tax Liabilities	9	(36)	(38)
TOTAL CURRENT LIABILITIES		13,207,734	5,567,634
NON-CURRENT LIABILITIES			
Provisions	7	14,674	14,163
Loans & Deferred Consideration Liability	8	8,598,358	11,971,646
Deferred Tax Liabilities	9	469,530	469,530
TOTAL NON-CURRENT LIABILITIES		9,082,562	12,455,339
TOTAL LIABILITIES		22,290,296	18,022,973
NET ASSETS/(LIABILITIES)		(6,555,841)	(2,846,733)
EQUITY			
Issued capital:			
8,000,000 Fully Paid Ordinary Shares		4,240,000	4,240,000
6,800,000 (2012: 6,800,000) Series A Preference Shares		6,800,000	6,800,000
Foreign Currency Translation Reserve	10	46,262	(4,662)
Revaluation Surplus	11	1,095,570	1,095,570
Accumulated Losses	12	(18,737,673)	(14,977,641)
TOTAL EQUITY		(6,555,841)	(2,846,733)

The accompanying notes form part of these financial statements.

LangTech International Pty Ltd ACN 149 225 972 and its controlled entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Issued Capital (Ordinary Shares)	Retained Earnings	Revaluation Surplus	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	11,040,000	(5,264,741)	1,095,570	(14,203)	6,856,626
Comprehensive income					
Profit for the year		(9,698,697)			(9,698,697)
Other comprehensive income for the year				(4,662)	(4,662)
Total comprehensive income for the year attributable to members of the entity		(9,698,697)		(4,662)	(9,703,359)
Transactions with owners, in their capacity as owners					
Transfers from retained earnings to general reserve		(14,203)		14,203	-
Total transactions with owners		(14,203)		14,203	-
Balance at 30 June 2014	11,040,000	(14,977,641)	1,095,570	(4,662)	(2,846,733)
Comprehensive income					
Profit for the year		(3,770,352)			(3,770,352)
Other comprehensive income for the year				53,504	53,504
Total comprehensive income for the year attributable to members of the entity		(3,770,352)		53,504	(3,716,848)
Transactions with owners, in their capacity as owners					
Transfers from retained earnings to foreign currency translation reserve		2,580		(2,580)	0
Adjustment in retained earnings		7,740			7,740
Total transactions with owners		10,320	-	(2,580)	7,740
Balance at 30 June 2015	11,040,000	(18,737,673)	1,095,570	46,262	(6,555,841)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		17,899,379	1,075,705
Payments to suppliers and employees		(22,562,279)	(5,577,765)
Finance costs		(1,463,821)	(131,928)
Net of R&D refund received and Income tax paid		4,104,019	1,405,305
Net cash provided by operating activities	12	(2,022,702)	(3,228,683)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(1,265,598)	(8,957,489)
Net cash used in investing activities		(1,265,598)	(8,957,489)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		5,371,648	11,633,700
Repayment of borrowings		(885,000)	-
Payment of Escrow deposits		(1,250,000)	-
Net cash provided by (used in) financing activities		3,236,648	11,633,700
Net (decrease) increase in cash held		(51,652)	(552,472)
Cash at beginning of financial year		1,035,301	1,587,773
Cash at end of financial year		983,649	1,035,301

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised for issue on 30 October 2015 by the directors of the company.

BASIS OF PREPARATION

The directors' have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

a. Going Concern

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

The Group incurred a net loss after income tax of \$3,770,352 (2014: \$9,698,697), and has a net current asset deficiency and net asset deficiency of \$8,642,478 and \$6,555,841 respectively for the year ended 30 June 2015. It should be noted that the net current asset deficiency is due to the classification of the GIM loan (\$8,158,112) as a current liability (there being no unconditional right to defer payment beyond 12 months).

The Company plans to use part of the funding from the Reverse Take Over ("RTO") to repay the GIM loan. Following completion of the RTO, the raising of \$14.7m of new equity as part of the RTO (before transaction costs), LTI will have a net current asset surplus of \$5,969,346 and a net asset surplus of \$8,055,983.

The directors believe that the Group will be able to pay its debts as and when they become due and payable. In reaching this conclusion the directors have had regard to the Group having available cash reserves to meet expected operating, investing and financing costs in the next twelve months based on internal financial modelling.

Specifically, the directors note that:

- Operating forecast cash flows of the business are supported by co-pack and preferred supplier agreements concluded with Heinz in May 2014. Under the co-pack agreement, LangTech bottles 100% of Heinz's Original Juice Black Label branded products, and supplies Heinz's orange, apple and grapefruit scholled not from concentrate (NFC) requirements, for a period of 3 years (with 2 options to renew for 1 year each). Under the preferred supplier agreement, LTI has a preferred right to supply at least 50% of Heinz's annual Australian NFC (principally orange, apple, pear and grapefruit NFC), concentrate (principally orange, apple, pear, grapefruit, pineapple and peel concentrate), and puree (principally apple and pear) requirements for a period of 5 years. The directors believe that these arrangements will continue to provide strong contracted free cash flow support for the Group. In FY2015, these contracts generated c. \$16.5m of sales (including logistics services);

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Going Concern (continued)

- The Company's lender, GIM, has agreed to support the RTO transaction by providing lender consent and waiver of all debt covenants necessary to facilitate the RTO despite a loan covenant not been satisfied, resulting in the entire loan being classified as a current liability (as noted above);
- The Company has recently raised \$2.7m and plans to raise a further \$12m as part of the RTO transaction described on the previous page;
- The Company intends to accelerate various Australian retail and export opportunities as a result of the launch of new branded products and the entry into strategic relationships with local and overseas partners;
- There were a number of one-off, non-recurring costs amounting to \$3,000,197 during FY15 which will not recur going forward;
- The company will receive a \$3.6m cash refund under its FY15 consolidated tax return (lodged in October 2015) given its qualifying R&D activities under AusIndustry's R&D funding program; and
- The forecast cash balance at the end of September 2016 is expected to be \$8.6m. This assumes a cash refund for R&D activities of \$1.9m under AusIndustry's R&D program (rather than the expected amount of \$3.6m noted above).

In the event that the Group cannot continue as a going concern, it may not be able to realise its assets and settle its liabilities in the normal course of operations and at the amounts stated in the financial statements.

b. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities it controls ("the Group"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Accordingly, LTC, LTB, Roxdale and TTR have been consolidated in this report.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured inventories includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses. Overheads are applied on the basis of normal operating capacity. Costs are assigned on a standard cost basis.

d. Plant and Equipment

All property, plant and equipment except for freehold land and buildings are initially measured at cost and are depreciated over their useful lives on a diminishing value basis. Depreciation commences from the time the asset is available for its intended use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable assets are as follows:

Class of Asset	Useful Life
Plant and Equipment	7 years (Diminishing Value Method)
Office Equipment	3 years (Diminishing Value Method)
Leasehold Improvements	10 years (Diminishing Value Method)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Intangibles

Goodwill

Goodwill is initially measured at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition. Goodwill is not subject to amortisation. Goodwill is subsequently measured at cost less any impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

Intellectual Property

Intellectual property is recognised at cost of acquisition or when incurred. Intellectual property has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Intellectual property is amortised over the life of the patents it relates to.

f. Trade and Other Receivables

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables include loans granted by the company and are discounted to present values using the interest rate inherent in the loan.

g. Impairment of Assets

At the end of each reporting period, property, plant and equipment, intangible assets and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

h. Trade Payables

Trade payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. They are recognised at their transaction price. Trade payables are subject to normal credit terms (generally 30–60 days) and do not bear interest.

i. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus any related on-costs.

j. Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

l. Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

Revenue from research and developments rebates are recognised in the period that the company obtains control of it and the amount of the rebate can be measured reliably.

m. Foreign Currency Transaction and Balances

Functional and Presentation Currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and Balances

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

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

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

Group Companies

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the government. In which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables stated are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Government is included with other receivables or payables in the balance sheet.

o. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

p. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income). The company does not recognise deferred tax assets.

Current income tax expense charged to profit or loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Tax rebates received under AusIndustry's R&D funding program are recognised upon receipt.

q. Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

r. Critical Accounting Estimates and Judgements

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

Key estimates

(i) Impairment – general

The company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. No impairment has been recognised in respect of goodwill at the end of the reporting period.

NOTE 2: TRADE AND OTHER RECEIVABLES

	2015	2014
	\$	\$
CURRENT		
Trade receivables	1,131,029	1,741,687
Other receivables	30,079	6,809
Escrow deposit	1,250,000	-
TOTAL TRADE AND OTHER RECEIVABLES	2,411,107	1,748,496

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: INVENTORIES

	2015	2014
	\$	\$
Work in Progress	916,382	805,207
Raw Materials	131,542	103,540
Finished Goods	118,219	26,647
TOTAL INVENTORIES	1,166,143	935,394

NOTE 4: PLANT AND EQUIPMENT

	2015	2014
	\$	\$
Plant and Equipment at cost	13,825,567	12,512,765
Less: accumulated depreciation	(3,585,196)	(2,026,240)
	10,240,371	10,486,525
Leasehold Improvements at cost	46,831	49,444
Less: accumulated depreciation	(24,514)	(22,993)
	22,317	25,053
Office Equipment at cost	62,269	54,945
Less: accumulated depreciation	(24,569)	(8,835)
	37,700	46,110
TOTAL PLANT AND EQUIPMENT	10,300,388	10,559,085

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 5: INTANGIBLE ASSETS

	2015	2014
	\$	\$
Intellectual Property	295,294	261,455
Less: Amortisation	(230,716)	(227,940)
Goodwill	702,268	702,268
Formation Expenses	1,965	919
TOTAL INTANGIBLE ASSETS	768,811	736,702

NOTE 6: TRADE AND OTHER PAYABLES

	2015	2014
	\$	\$
Trade Creditors	2,169,667	3,028,538
Accruals and other payables	1,312,032	842,766
TOTAL TRADE AND OTHER PAYABLES	3,481,699	3,871,304

NOTE 7: PROVISIONS

	2015	2014
	\$	\$
CURRENT		
Annual Leave	278,175	108,408
NON CURRENT		
Long Service Leave	14,674	14,164
TOTAL PROVISIONS	292,849	122,571

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 8: LOANS & DEFERRED CONSIDERATION LIABILITY

	2015	2014
	\$	\$
CURRENT		
Loan – Generation (a)	8,158,112	-
Loan from Convertible Note Holders	-	187,960
Deferred Consideration Liability (b)	1,289,784	1,400,000
	<u>9,447,896</u>	<u>1,587,960</u>
NON-CURRENT		
Loan - Generation (a)	-	3,004,438
Deferred Consideration Liability (b)	7,100,001	7,574,785
Loan – Santino	1,498,357	1,392,423
	<u>8,598,358</u>	<u>11,971,646</u>
TOTAL LOANS	<u>18,046,254</u>	<u>13,559,606</u>

(a) On 26 May 2014, LTI entered into a loan agreement with GIM Credit (Luxembourg) S.à.r.l ("GIM"). The key terms and conditions are as follows:

- The total facility is \$8M. \$3M was drawn down on 3 June 2014, while the remaining \$5M was drawn down in July and August 2014.
- The interest rate is 12% pa of which 10% is paid in cash every quarter and 2% is capitalised.
- The repayment date of the loan and capitalised interest is three years from 26 May 2014.
- The loan is secured over all of the Group's current and future assets.

As noted above, the Company plans to use part of the funding from the RTO to fully repay the above loan. GIM has agreed to support the RTO transaction by providing lender consent and waiver of all debt covenants necessary to facilitate the RTO (subject to the pre-RTO and RTO raisings completing by specified dates), however, the loan has been classified as current as the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(b) On 26 May 2014, LTI acquired the remaining 50% shareholding in LTC from Golden Circle, together with Heinz's juicing assets at Laverton and Heinz' bottling assets at Mill Park (amounting to \$8.1m based on the net present value of future payments at that time) and acquired the loan Heinz provided to LTC (amounting to \$1.2m). The payment for the 50% shareholding in LTC, the juicing assets located at Laverton and loan Heinz provided to LTC is based on an earn-out over a 3 year period as described in Note 1(a). The repayment of the bottling assets at Mill Park is based on a fixed payment schedule over a period of approximately 24 months. The directors have assessed approximately \$1.289m will be paid out in financial year 2016, which has been reflected in the Group's cash flow forecast. On this basis, \$1.289m has been classified as current.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 9: TAX

	2015	2014
	\$	\$
NON-CURRENT		
Deferred Tax Liabilities	469,530	469,530

NOTE 10: FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve records exchange differences arising on translation of the foreign controlled subsidiary, Roxdale Foods Limited.

NOTE 11: REVALUATION SURPLUS

	2015	2014
	\$	\$
Net gain on revaluation of plant and equipment – gross	1,565,100	1,565,100
Deferred tax	(469,530)	(469,530)
	<u>1,095,570</u>	<u>1,095,570</u>

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

NOTE 12: CASH FLOW INFORMATION

	2015	2014
	\$	\$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	(3,770,352)	(9,698,697)
Non-cash flows in profit:		
– depreciation	1,585,541	1,222,479
– Loss on asset written down	-	3,707,334
Changes in assets and liabilities:		
– (increase)/decrease in receivables	587,388	(900,537)
– (increase)/decrease in other assets	56,904	7,624
– (increase)/decrease in inventories	(230,749)	(909,935)
– Increase/(decrease) in payables	(389,605)	3,244,658
– Increase/(decrease) in provisions	170,280	43,685
– (increase)/decrease in intangible assets	(32,109)	54,706
	<u>(2,022,702)</u>	<u>(3,228,683)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 13: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)	
		2015	2014
Parent Entity:			
LangTech International Pty Ltd	Australia		
Subsidiaries of LangTech International Pty Ltd:			
Roxdale Foods Limited	New Zealand	100	100
LangTech Citrus Pty Ltd	Australia	100	100
LangTech Bottling Pty Ltd	Australia	100	100
Treated Timber Remediation Pty Ltd (i)	Australia	33	33

(i) The company did not trade during the financial year.

NOTE 14: LEASE COMMITMENTS

	2015	2014
	\$	\$
Non-cancellable operating lease commitments not capitalised in the financial statements		
Payable – minimum lease payments:		
– not later than 1 year	1,104,912	777,365
– later than 1 year but not later than 2 years	1,136,908	920,342
– later than 2 years	2,491,825	1,323,515
	<u>4,733,645</u>	<u>3,021,222</u>

NOTE 15: CONTINGENT LIABILITIES

There are no contingent liabilities at Balance Date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 16: EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to balance date:

- LTI announced on 28 July 2015 a Reverse Take Over (RTO) of ASX listed Crest Minerals Limited (ASX: CTT) to facilitate an ASX listing of LTI. As part of this transaction, LTI raised pre-RTO capital of \$2.7m, and will raise a further \$10m to \$12m of capital on completion of the RTO. LTI will also change its name to The Food Revolution Group;
- LTI raised \$2.7m of pre-RTO funding as noted above from 20 August 2015 to 8 October 2015;
- LTI launched two new retail brands (Hi Fi and Juice Lab) into the domestic retail channel, and its Australia's Garden brand into China.
- GIM (the Company's secured lender) agreed to support the RTO transaction by providing lender consent and waiver of all debt covenants necessary to facilitate the RTO (subject to the pre-RTO and RTO raisings completing by specified dates). GIM also committed to roll over part of its exit fee into shares in LTI (to be acquired by Crest) and agreed to consider providing a working capital facility to the Company.

Jonathon Middis resigned as a director on 27 July 2015.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 17: COMPANY DETAILS

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

20 Heaths Court

Mill Park, VIC, 3082

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of LangTech International Pty Ltd, the directors have determined that the Group is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Group declare that:

1. The financial statements and notes, as set out on pages 5 to 19, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Director

Timothy Lang



Dated this 30th day of October 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANGTECH INTERNATIONAL PTY LTD
AND ITS CONTROLLED ENTITIES

INTENTIONALLY LEAVE BLANK FOR AUDITOR

INTENTIONALLY LEAVE BLANK FOR AUDITOR

LANGTECH INTERNATIONAL PTY LTD

ABN 61 149 225 972

AND CONTROLLED ENTITIES

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LANGTECH INTERNATIONAL PTY LTD AND ITS CONTROLLED ENTITIES**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx: (612) 9263 2800

We have audited the accompanying financial report, being a special purpose financial report, of LangTech International Pty Ltd and its controlled entities (the consolidated entity), which comprises the consolidated statement of financial position as at 30 June 2015 and 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 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end.

Directors' Responsibility for the Financial Report

The directors of the consolidated entity are responsible for the preparation of the financial report and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

A member of AGN
International Ltd, a
worldwide association
of separate and
independent
accounting
and consulting firms

www.hallchadwick.com.au

SYDNEY • NEWCASTLE • PARRAMATTA • PENRITH • MELBOURNE • PERTH • BRISBANE • GOLD COAST • DARWIN

Liability limited by a scheme approved under Professional Standards Legislation.

LANGTECH INTERNATIONAL PTY LTD
ABN 61 149 225 972
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LANGTECH INTERNATIONAL PTY LTD AND ITS CONTROLLED ENTITIES

Opinion

In our opinion, the financial report of LangTech International Pty Ltd and its controlled entities is in accordance with the *Corporation Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(a) in the financial report which indicates that the Group has incurred a net loss after tax of \$3,770,352 during the year ended 30 June 2015 and, as of that date, the Group's total liabilities exceeded its total assets by \$6,555,841. These conditions, along with other matters as set forth in Note 1(a) indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporation Act 2001*. As a result, the financial report may not be suitable for another purpose.



HALL CHADWICK
Level 40, 2 Park street
Sydney, NSW 2000



Drew Townsend
Partner

Date: 30 October 2015

TRADING, PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
SALES		
Revenue	17,311,991	1,976,242
	<u>17,311,991</u>	<u>1,976,242</u>
LESS COST OF GOODS SOLD		
Opening Inventories	935,394	25,459
Purchases	9,111,805	3,270,222
Wages and Salaries	2,138,374	515,060
	<u>12,185,573</u>	<u>3,810,741</u>
Closing Inventories	(1,166,143)	(935,394)
	<u>11,019,430</u>	<u>2,875,347</u>
GROSS PROFIT FROM TRADING	<u>6,292,561</u>	<u>(899,105)</u>
PLUS OTHER INCOME		
R&D tax concession	4,104,017	1,405,343
	<u>4,104,017</u>	<u>1,405,343</u>
LESS ADMINISTRATION, DEPRECIATION AND AMORTISATION EXPENSES		
Accounting and Payroll Preparation	465,173	524,299
Amortisation of IP	-	90,064
Auditors Remuneration	28,764	26,858
Bank Charges	3,600	300
Computer Maintenance	-	27,575
Courier Fees	76,227	22,851
Depreciation	542,659	1,132,415
File Storage	1,585,541	3,149
General Expenses	3,258	297,402
Insurance	178,296	191,948
Legal and Professional Costs	286,842	486,531
Printing and Stationery	55,658	4,876
Rates and Taxes	14,716	24,647
Rental Expenses	3,370	286,971
Telephone and Internet Expenses	121,470	13,021
	<u>3,488,257</u>	<u>3,155,912</u>

LangTech International Pty Ltd ACN 149 225 972 and its controlled entities

TRADING, PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
LESS EMPLOYMENT COSTS		
Leave Accrual	816,174	31,957
Payroll Tax	165,118	31,810
Salaries and Superannuation	2,929,039	1,748,626
Staff Amenities	14,230	5,000
Workers Compensation Insurance	105,960	10,457
	<u>4,030,523</u>	<u>1,827,850</u>
LESS MARKETING COSTS		
Sales Consultants Fees	20,579	77,072
Travelling Expenses	122,826	57,378
	<u>143,405</u>	<u>134,450</u>
LESS OPERATING COSTS		
Cleaning and Ground Maintenance	501,029	38,015
Climate Ready Expenditure	12,691	-
Equipment Rental	239,219	61,264
Freight	-	28,416
Light & Power	296,435	50,692
Other Operating Costs	52,691	444,540
Repairs and Maintenance	1,563,201	78,162
	<u>2,787,319</u>	<u>701,089</u>
LESS INTEREST PAID		
Interest Paid	1,465,577	131,928
	<u>1,465,577</u>	<u>131,928</u>
LESS Loss on Sale of Assets		
Loss on Sale of Assets	-	3,707,334
	<u>-</u>	<u>3,707,334</u>
LESS RELOCATION COSTS		
Relocation costs	2,251,850	546,372
	<u>2,251,850</u>	<u>546,372</u>
LOSS BEFORE INCOME TAX	<u>(3,770,352)</u>	<u>(9,698,697)</u>
Income tax expense	-	-
LOSS AFTER INCOME TAX	<u>(3,770,352)</u>	<u>(9,698,697)</u>