Company Registration Number 07905640

RAPID NUTRITION PLC

FINANCIAL STATEMENTS
30 JUNE 2019

RAPID NUTRITION PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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RAPID NUTRITION PLC

CORPORATE DIRECTORY

FOR THE YEAR ENDED 30 JUNE 2019

Directors	S St Ledger V Vanderbeken S Kellow
Company Secretary	Elemental CoSec Limited
Company registration number	07905640
Registered office	27 Old Gloucestor Street London England WC1N 3AX
Auditor	Greenwich & Co Audit Pty Ltd Level 2 35 Outram Street West Perth WA 6005 Australia
Domicile of the company	United Kingdom
Country of incorporation	England and Wales
Legal form of entity	Public Limited Company
Stock Exchange Code	RAP, RPNRF

The directors present their strategic report on Rapid Nutrition PLC (the "Company") and its controlled entity (hereafter the "Group" or "Rapid Nutrition") for the year ended 30 June 2019.

Principal activity

Rapid Nutrition is a natural healthcare company focused on the research, development and production of a range of life science products.

The Company was established on the back of its successful and proven weight loss supplement range which is exported worldwide, and now offers consumers a growing range of health and wellbeing solutions to meet existing and emerging health issues and concerns, as well as a providing number of wider services to the life sciences industry.

Financial Highlights

	FY2019	FY2018	% change
Revenue*	$3,104,879	$4,147,046	-25%
Gross profit	$2,053,041	$4,036,386	+49%
Operating Profit	$1,019,068	$1,912,394	-45%
Basic EPS (dollar)	$0.04	$0.07	-43%

- Company revenue FY19 $3.1m with $1m operating profit compared to the previous year revenue of $4.1m with $1.9m operating profit respectively. Revenue adjustment in 2019 due to timing of new sales contracts, mainly GNC and Sigma Ltd commencing in the first quarter of new financial year. Gross profit improved compared 2018 where the Company incurred higher costs as a result of exploring various listing venues.
- Significantly increased SystemLS™ distribution footprint across 500 GNC stores in North America and 100 Discount Drug Stores in Australia via recent Sigma Ltd distribution agreements.
- Total revenue for FY19 $3.1m of which company branded products contributed $2.3m.
- Highly successful launch of GNC products (Beyond Raw®, AMP Gold™, Climb™) into Australia into 100 Discount Drug stores nationally.
- Operating profit of $1m was lower due to investments made in corporate listings, brand development and growth.
- DTC customer base and reach, through the groups Top Ryde Health Food store channel in Sydney Australia delivering $827k for the first full year of operation.
- GNC product sales in Australia expected to make a significant contribution to current FY with continued store expansions.

- Significant new retail and DTC channels added in US and Australia and distributors appointed in multiple regions globally expected to contribute to future growth
- The Company secured additional investment in the form of Convertible Note Instruments to support the groups increase distribution in the US and Australia.

Operational Highlights

The Group's long-term objective is to build a vertically integrated company with a unique position in the life sciences and nutraceutical space. The Directors believe that this strategy enables the Group to impose superior standards of quality control for its products, to strengthen its value chain, and to scale up to optimum business efficacy.

Key pillars of Rapids growth strategy are:

I. **Expand distribution** into neighbouring countries where the Company is not already present. UK, Europe, Australia, US and China are focus markets for 2019.

II. **Product innovation and extension** -to leverage successful flagship brands Leisa's Secret® and System LS. Rapid has recently developed a new organic certified vegan range. In order to capture new markets, other new products in development are under development.

III. **Synergistic acquisitions** the Company will explore acquisitions of assets that produce sound cash flow or are complementary to the Company's operations.

Retail partners and distribution channels

We have recently established a closer relationship with our retail partners and distributors enabling us to range our brands in the US and internationally. During the year, System LS™ secured ranging in more than 500 stores in GNC owned stores in North America and together with our distributor partner Super Health Centre in North America, our core brand now has a platform to access more than 3,100 storefronts in the North and South America.

Through our first ranging order from Sigma Healthcare in Australia into more than 100 stores nationally, GNC products, (Beyond Raw®, AMP Gold™, Climb™) have received positive feedback and we continue to have high expectations in extending into more stores.

DTC channel

Our DTC channel is an important platform to engage directly with our customers and is key to our marketing campaigns. Digital and online shopping has changed the retail landscape since we started Rapid Nutrition. Through our online fitness streaming service with world-class trainers and classes our strategy has always embraced the opportunities presented by the digital transformation across marketing, social media and e-commerce and this has enabled us to deliver strong growth in the DTC channel with our average monthly revenue increasing by 17% in June 2019 compared July 2018 with eleven thousand customers.

Growth strategy

The Board believes there are significant opportunities to grow the business organically and through acquisitions. Our focus in FY2020 will be based on the following initiatives to generate further growth over the long term:

System's LS™ has performed very well and we will seek additional ranging and increased store depth as the category review process continues with GNC & Super Health Centre in North America. This will be underpinned by the benefit of having the benefit of full year revenue contribution from the account.

The DTC channel which also includes our Top Ryde retail outlet in Sydney, will receive new resources through the addition of Artificial Intelligence, a 360-degree strategy for comprehensive consumer engagement and contracting of a proven digital sales platform to drive revenue. This is a multi-market strategy covering the Australia and US;

SystemLS™ will receive additional marketing resources to capitalise on the increase in store presence in GNC. This will be supported by the roll out of new product development and;

In international markets, SystemLS™ will continue to build its presence in existing and new geographies including South America through our new distributor relationships;

People

On behalf of the Board, I would like to thank the highly dedicated team who worked so diligently for the business. In order to sustain our growth trajectory, the business has invested in additional personnel for our DTC channel, in addition to retail management in Australia with the recent appointment of Douglas Kuskopf-Dallas. This ensures we have the skills and capacity to deliver on the strategies and plans we have developed.

Post-Period End and Outlook

The new financial year has begun very positively, and current trading is line with management's expectations. We look forward to a year of significant growth both in terms of revenue and earnings. We are excited about our new product launches, especially the new category we will be entering later this year. This combined with our expanded retail and DTC channels, gives us much confidence in the business and its future growth opportunities.

The Year In Review

Simon St Ledger, Executive Chairman said:

We are excited to continue building momentum this quarter by initiating the import of our first GNC order, the execution of our multi-channel business model approach while ensuring a strong initial foothold in the Australian market for the GNC brand. We believe there exists an enormous opportunity to consolidate the Australian market by leading with a marque brand such as GNC as we continue our commitment to building long-term shareholder value."

World-renowned for offering evidence-based nutrition supplements backed by extensive studies, GNC partners with over 15 plus Universities and consistently leads the industry in the US as a standard for high quality and safety.

As previously announced on April 23, 2019, Rapid Nutrition commenced the distribution process with GNC stores in North America. Terms of the opening order provide for distribution of its flagship brand SystemLS™ into 500 stores in addition to GNCs online store next quarter. The product offering will include a variety of high-quality protein shakes, bars and vitamins, all with natural and organic ingredients designed to support wellness, weight loss and a healthy lifestyle. Additionally, Rapid Nutrition developed an online fitness streaming service with world-class trainers and classes for anytime streaming. As part of the GNC rollout, Rapid Nutrition is offering this streaming service for free.

We are also thrilled to have secured the global distribution expertise and infrastructure of Super Health Center (SHC) to support our new distribution partners. As the Company advances its rollout with GNC, SHC will be instrumental in expediting order fulfillment with GNC franchised stores while also leveraging its established global distribution channels to advance the growth of our SystemLS™ brand. We believe SHC will play an integral role in our growth strategy as we continue our commitment to building long-term shareholder value.

Stock Exchange Listings.

The Company has successfully dual-listed on the OTC Markets (18 March, 2019), which provides the opportunity for the Company to access a greater pool of liquidity in addition to our current quotation on SIX.

Key Results:

- US ownership increased after joining OTC.
- Trading volume by number of shares increased within its SIX quotation.
- Trading volume by number of shares increased within the OTC market.
- There were positive liquidity reactions for the company on both markets.
- Share price support has increased within the home market.

The board is encouraged with the benefits this has created for shareholders, with overall improved liquidity and the enhancement of shareholder value.

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Growth within markets. With ongoing key partnerships and distribution agreements throughout a variety of countries, Rapid Nutrition has a strong focus on building growth within this footprint and neighboring locations. Notably within the United States and Australia in particular, this year.

Corporate Actions Taken

The Company successfully secured institutional investment via convertible notes to support its growth and increased manufacturing demand to support our two new international partners. Valid conversion notices were received in June in respect of 1,914,850 New Shares. Following the conversion, the total number of share in issue is 34,374,674.

The New Shares have been allotted subject only to admission to listing of the New Shares on SIX Swiss Exchange ('Admission'). Such listing took effect on 22 July, 2019.

Value For Our Shareholders

Rapid Nutrition provides ongoing value for shareholders through thoughtful growth, up-to-date communication, scrupulous business conduct and economic sustainability. In turn, we value the trust and confidence we receive from our shareholders.

Healthy growth for investors and satisfaction for consumers are the hallmark of the way we choose to do business. Ultimately, providing the best value for everyone is at the heart of everything we do.

Dividends

The Board has elected not to declare a dividend at this time.

Principal Risks and Uncertainties

The principal risks the Company faces relate to a) the regulatory requirements in each country to which it exports, b) cash flow and c) Foreign exchange risk due to exchange rate fluctuations.

If the regulations affecting our products change, the Group will need to quickly adapt its product formulations to ensure compliance and facilitate continuing sales. At this stage, because Australian regulators operate very stringent policies on all products, having passed the Australian test gives the Group a strong foundation to take its products into foreign markets and get local endorsement too; nevertheless, this has been recognised as a potential risk.

Cashflow is another principal risk as, while the Company is in its growth phase, revenues are low vs. costs. However, the Company has support from its shareholders for funding and is anticipating sales growth in the coming year to improve cashflow substantially. Furthermore the Company has recently secured a significant institutional investment to ensure it is well capitalised to support its forward initiatives. The Company continues to re-invest profits from its trading revenues to support organic expansion of its global distribution into neighboring markets where the Company is not already present. The Company is profitable and expects to have sufficient cashflow to enable organic growth to be sustained at current rates.

The Group’s main financial asset – shares held at fair value through the profit and loss – are denominated in US dollars, so the risk of any adverse movement in the foreign currency exchange rates is borne by the Group.

As at 30 June 2019, if the US dollar had strengthened/weakened by 5% against the Australian dollar with all other variables held constant, comprehensive income for the period and assets would have been adjusted higher/lower, as a result of foreign exchange gains/losses on transaction of the financial asset.

Environmental matters

There are no environmental issues arising from the Group's business that might affect the future strategic direction or results of our Group.

Employees

In line with *Companies Act 2006* requirements, we present the following breakdown of our employee structure:

Role	*Number of Men*	*Number of Women*
Directors	2	1
Senior Managers	4	-
Other Employees	-	5

With a refined business model enabling greater long-term growth potential, the fiscal year witnessed increased distribution agreements across several continents, and expanded sales team, and a significant rollout of the SystemLS™ product line across Australia We have enjoyed notable successes, and believe the company is at an inflection point in terms of its growth.

We want to thank each of you for your passion, interest and dedication. All of us at Rapid Nutrition look forward to an amazing year ahead.

On behalf of the board

Simon St Ledger
Managing Director
30 October 2019

The Directors present their report and financial statements of the Group for the year ended 30 June 2019.

Directors

The Directors who served the Group during the period are as follows:

Mr Simon St Ledger
Mr Shayne Kellow
Mr Malcolm Sinclair (terminated 27 July 2018)
Ms Vesta Vanderbeken (appointed 27 July 2018)

All directors were in office for the entire period unless otherwise disclosed.

Simon St Ledger
Nationality: Australian

Simon St Ledger, Executive Director, Chairman and CEO, appointed 11 January 2012

Simon St. Ledger has been a personal trainer and dietary consultant, and an advisor to numerous health clubs and organisations. In the two decades that he has been in the industry, Simon St Ledger has amongst other things managed national fitness equipment suppliers, and was chiefly responsible for the establishment of the Australian National Weight Loss Clinic.

Mr St Ledger was named a finalist for the 2012 Brisbane Young Entrepreneur Award. Simon St Ledger also made the Subsidiary worthy of the 2013 Premier of Queensland's Export Award in the Health and Biotechnology category. This recognition earned the Subsidiary a place in the national finals of the 51st Australian Government Export Awards, representing Queensland in the small business category.

Shayne Kellow
Nationality: Australian

Shayne Kellow, Non-Executive Director, appointed 13 October 2017

Shayne Kellow brings with him over twenty-five years of experience in institutional and business development, corporate finance and international sales. He has first-hand experience, establishing global distribution networks within the healthcare industry, in particular South-East Asia, Middle East and the Americas. Previous roles include Business Operations Manager of the Australian Business Development Centre, which involved mentoring and advising Business Startup for over 250 new businesses. He was the Founding Director of Elmore Oil, a successful healthcare company manufacturing and distributing natural lotions with therapeutic benefits to over 12 countries.

Vesta Vanderbeken
Nationality: Australian

Vesta Vanderbeken, Non-Executive Director, appointed 27 July 2018

Vesta Vanderbeken has had over two decades of investment banking and corporate finance experience across various industries, including diversified industrials, consumer services, infrastructure, power, utilities, telecommunications, entertainment and agriculture. Vesta has held senior roles in Investment, Institutional and Corporate Banking with the Australia and New Zealand Banking Group Limited, ANZ Investment Bank and worked on some of the largest institutional and project finance deals in Australia.

Vesta has a Bachelor of Applied Economics degree from the University of South Australia, a Graduate Diploma in Applied Finance and Investments from the Financial Services Institute of Australia and completed studies in entrepreneurship at Stanford University.

Malcolm Sinclair
Nationality: Australian

Malcolm Sinclair, Non-Executive Director, date of termination 27 July 2018
(For profile, refer Swiss Listing Memorandum, dated 20 March 2017)

Company Secretary

The following served as Company Secretary during the period:

Elemental CoSec Limited

The Company Secretary of the Company is Elemental Company Secretary Limited ("Elemental CoSec") with its business address at 27 Old Gloucester Street, London WC1N 3AX, United Kingdom. Nick Lindsay is a corporate lawyer and a director of Elemental CoSec. Nick is responsible for the delivery of the governance, secretarial and corporate legal functions at Elemental CoSec and works with a range of UK and international public companies on their initial listings and ongoing compliance.
Elemental CoSec provide company secretarial, administrative and corporate services to a range of companies, law firms and accountancy firms.

The Company Secretary's general responsibilities are:
- annual compliance services;
- support for the general meeting of the Company;
- drafting of the notice of general meeting;
- drafting of the proxy form, board minutes calling the meeting, chairman's script and ancillary documents;
- ad hoc advice on the proposed resolutions;
- attendance at the meeting in person or by telephone conference;
- drafting of the minutes of the meeting; and
- filing any relevant resolutions with Companies House.

Meetings of the Directors

During the year to 30 June 2019, the directors attended the following meetings of the board of directors.

	Meetings eligible to attend	Meetings attended
Simon St Ledger	8	8
Shayne Kellow	8	8
Vesta Vanderbeken	8	8

Review of the Business

Please refer to the Strategic Report for information on the Group, its strategic direction, this year's results, and plans for the future.

Dividends

At this stage of the Group's development, no dividends have been recommended. All monies generated by the Group's operations are to be retained for the future growth and development of the Group's offerings to market.

Research and Development

The Group undertakes a variety of research activities into potential new products and new formulations that could form part of their future offerings to customers. The Group classifies all such spending as research and expenses the costs accordingly.

It is the view of the directors at this stage that the Group is unable to confirm the potential flow of benefits from new products until they arrive to market. Given that, it is not possible to capitalise these expenditures as development.

Financial Instruments

The Group holds shares in other companies, Motivate Health Technologies, Inc., Streamcast Marketing LLC, Rapid Nutrition Asia Pty Ltd., Rapid Nutrition Australia Pty Ltd and Rapid Nutrition Canada Inc. Information regarding the Group's financial risk management objectives and policies, including exposure to market, credit and liquidity risks, are presented in Note 26 to these financial statements.

Corporate Governance

Information relating to the Groups Corporate Governance Code can be viewed on the Company's website: *Search Path: www.rnplc.com>Investor Relations>Corporate Governance*

Post Balance Sheet Events

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- As announced on 8 July 2019, the Group successfully obtained Clearing and Depository Services ("CDS") eligibility in North America. CDS eligible often increase trading volume. As Rapid Nutrition moves forward with its business plans, CDS eligibility will extend its reach to a broader audience of investors, both in North America and internationally. The Company incorporated a one hundred percent (100%) owned subsidiary in Canada with the name "Rapid Nutrition Canada Inc."

- The Company announced with reference to its media announcement of 14 June 2019, valid conversion notices from Investors have been received in respect of 1,914,850 new shares. Following the conversion, the total number of share in issue is 34,374,674.

- As announced 24 July, 201, the Company has expanded its distribution partnering with ASX listed pharmaceutical company Sigma Healthcare to launch health and wellness giant GNC further across the Australian pharmacy network.

- As announced 13 August, 2019 the Company has further expanded its distribution network partnering with Australia's largest natural health retailer, Mr.Vitamins.

- Opening order from GNC, USA for the Company's flagship brand SystemLS™ was delivered by the Company to GNC's distribution centers in August 2019 in preparation to go into 500 GNC store shelves next month.

Other than as disclosed above, the directors are not aware of any significant events since the end of the reporting period.

Indemnification of Officers

Insurance premiums have been paid by the Company for directors and officers' liability in relation to the Group.

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is auditor of the Group.

Proceedings on Behalf of the Group

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

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

Director's Interests

At the year end date, the directors of the Company had the following interests in the shares of the Company, through both direct and indirect holdings:

Director	Shares Held on 1 July 2018[1]	Shares acquired during year	Shares disposed during the year	Shares held on 30 June 2019
Simon St Ledger	6,115,050[2]	-	-	6,115,050
Malcolm Sinclair	87,175	-	-	87,175
Shayne Kellow	272,022	-	-	272,022
Vesta Vanderbeken	-	-	-	-

[1] The number of Shares and/or the number of options refers to the number of Shares and/or the number of options held as of 30 June 2019.

[2] The 3,666,592 Shares are held by JBG Corp Pty Ltd, which is a company controlled by the wife of Simon St Ledger. 2,448,458 Shares are held directly by Simon St Ledger.

Remuneration Report (audited)

Policy & Practice

The Group operates on a strictly 'capital efficient' approach and therefore directors remuneration has been based on conservative market matching rates in order to act in the best interest of the Company during the Company's growth phase. As at 30 June 2019, outside of existing shareholdings, there are no performance components included in directors remuneration.

Refer the Company's Corporate Governance Code for further details on the Remunerations Committee and is responsibilities.

Reference Search Path: www.rnplc.com>Investor Relations> Corporate Governance

Contracts

Directors' remuneration in its various forms was agreed by Board resolution, not formalised by contracts at this stage, and these arrangements will continue until re-visited by either party. Thus, there has been no specification of termination benefits for directors at this time.

Amount of emoluments & compensation

Directors' salaries have been agreed in Australian dollars. This means that, absent any increased salary or reward, the British pound value of director's remuneration will still fluctuate year on year due to exchange differences.

2019	*Salary ($)*	*Superannuation ($)*	*Consultancy Fees ($)*	***Total ($)***
Simon St Ledger [1 2]	150,000	14,250	-	**164,250**
Vesta Vanderken[3]	-	-	16,281	**16,281**
Shayne Kellow [2]	-	-	-	**-**

[1] – Simon St Ledger's employment terms, as formalised by board resolution, specify a salary of AUD150,000 per year excluding Super. During the year to 30 June 2019 nil was paid and remains
outstanding at the year end.
[2] – Shayne Kellow has been provided with the use of a vehicle owned by the consolidated entity for their personal use. Mr Kellow's vehicle was acquired in the prior period for AUD 50,459
[3] – Vesta Vanderbeken's was provided with relevant contract that has been executed prior to the appointment. The fee payable for carrying out her duties is an annual gross amount of GBP12,000 (AUD$21,680). $16,281 remains outstanding as at June 30, 2019.

2018	*Salary ($)*	*Superannuation ($)*	*Consultancy Fees ($)*	***Total ($)***
Simon St Ledger [1]	150,000	14,250	-	**164,250**
Shayne Kellow	-	-	-	**-**
Malcolm Sinclair[2]	-	-	-	**-**

[1] – Simon St Ledger's employment terms, as formalised by board resolution, specify a salary of AUD 150,000 per year. As of 30 June 2019, all salary owing is AUD150,000
[2] – Malcolm Sinclair was inactive Director for the accounting period, formalised by termination 27th July, 2018. Mr Sinclair was engaged by Rapid Nutrition plc as a non-executive director and, all fees to date have been paid to Health E Nominees as consultancy fees as disclosed in previous audited accounts.

Refer the Company's Corporate Governance Code for further details on the Remunerations Committee and is responsibilities.

The Committee is responsible for the determination of the terms and conditions of employment, remuneration and benefits of each of the Chairman, executive Directors, members of the executive and the company secretary, including pension rights and any compensation payments, and recommending and monitoring the level and structure of remuneration for senior management and the implementation of share option or other performance-related schemes.

Reference Search Path: www.rnplc.com>Investor Relations> Corporate Governance

End of audited section.

Directors' responsibilities

The Directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year or period. Under that law the Directors have elected to prepare the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' statement as to disclosure of information to the auditor

The Directors at the date of approval of this report confirm that:

- to the best of their knowledge and belief, there is no relevant audit information of which the Group's auditor is unaware; and

- the Directors have taken all the steps that that might reasonably be expected to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

On behalf of the Board

S St Ledger
Managing Director
30 October 2019

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 June 2019 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with applicable law and IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Whom we are reporting to

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

What we have audited

The financial report of Rapid Nutrition PLC for the year ended 30 June 2019, which comprises the following statements:

- Consolidated Statement of Profit or Loss and Other Comprehensive Income,
- Consolidated Statement of Financial Position,
- Consolidated Statement of Changes in Equity,
- Consolidated Statement of Cash Flows,
- Parent Company Statement of Financial Position,
- Parent Company Statement of Changes in Equity, and
- All related notes to the above.

The financial reporting framework that has been applied in the preparation of the Group and parent company financial statements is applicable law and IFRSs as adopted by the European Union.

Overview of Audit Approach

We identified the key audit risks to be revenue recognition, change of presentation currency, and the valuation of prepayments.

We set materiality for the Group at 1.5% of revenue: $46,573.

We performed full scope audit procedures over all Group entities at the head office in Brisbane, Australia.

Our Assessment of Risks of Material Misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

REVENUE RECOGNITION

Risk Description	Rapid Nutrition, as a Group, generates revenues from sales and licensing of various health food and sports nutrition products, including the Leisa's Secret® and SystemLS™ lines. The method for recognising revenue varies depending on the type of sale being made: - *Retail sales* These sales are recognised at the date the stock is segregated from other inventory, ready for collection or delivery in accordance with these customers terms of trade. - *Licensing sales* These arrangements are established via contract, with clauses that specify what periods payments relate to, and subsequent royalty percentages payable by the licensee. There are risks around the timing of revenue recognition of retail product sales, particularly focused on the contractual terms of delivery and location of sale. In addition, due to the volume of transactions in the year, and the different types of revenue, we have identified revenue recognition as a key risk for our audit. The Group's revenue recognition policy is disclosed in note 1.5.
How the scope of our audit responded to the risk	Our audit work assessed the design and implementation of controls over the recognition of revenue. We tested, in detail, a sample of completed orders around the year end date, with specific focus on recognition conditions for revenue. We assessed the transfer of risk and reward to the customer by reviewing dates of transaction completion in the Group's financial records, and dates of stock segregation and dispatch for retail sales. We evaluated the Group's contracts for licensing its products, with particular focus on the period the contracts were active for. **Key Observations**: We noted no material instances of inappropriate revenue recognition arising in our testing.

Our application of materiality and an overview of the scope of our audit

Materiality

We define materiality as the magnitude of a misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work. We determined materiality for the Group financial statements as a whole to be $46,573 which represents 1.5% of the Group's revenue for the year ended 30 June 2019.

This benchmark is considered the most appropriate because this is a key performance measure used by the Board of Directors to report to investors on the financial performance of the Group.

Materiality for the current year is higher than the level that we determined for the year ended 30 June 2018, reflecting the Group's revenues during the year to 30 June 2019.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the Group financial statements. We also determine a lower level of specific materiality for certain areas such as Directors' remuneration and related party transactions.

We agreed with the Board that we would report all audit differences in excess of $3200, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Overview of the scope of our audit

A description of the generic scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeprivate. We conducted our audit in accordance with International Standards on Auditing (ISAs) (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We are independent of the Group in accordance with the Auditing Practices Board's Ethical Standards for auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

The Group is managed from Brisbane, Australia. Through our procedures, all Group entities were subjected to a comprehensive audit approach. Our audit approach was based on a thorough understanding of the Group's business and is risk based, and in particular included:

- undertaking interim procedures before the year end date to evaluate the Group's internal control environment, including IT systems and controls;
- at this visit, we performed an evaluation of the design effectiveness of controls over key financial statement risk identified as part of our risk assessment, reviewed the accounts production process and performed certain transactional procedures for the first nine months of the year in advance of the year end;

- at the final audit visit, we undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks; and
- the scope of the current year audit has remained consistent with the scope of that of the prior year.

Opinion on Other Matters prescribed by the Companies Act 2006

Our opinions on other matters prescribed by the Companies Act 2006 are unmodified In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable; or

- the annual report does not appropriately disclose those matters that were communicated to the Audit Committee which we consider should have been disclosed.

We have nothing to report in respect of any of the above matters.

We also confirm that we do not have anything material to add or to draw attention to in relation to:

- the Directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the Group including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether they have considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the Directors' explanation in the annual report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Responsibilities for the financial statements and the audit

What the Directors are responsible for:

As explained more fully in the Statement of Directors' Responsibilities set out on page 13 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Nicholas Hollens

NICHOLAS HOLLENS

Senior Statutory Auditor for and on behalf of *Greenwich & Co Audit Pty Ltd*

Statutory Auditor, Chartered Accountants

Perth, Australia

30 October 2019

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Year ended 30 June 2019 AU$	Year ended 30 June 2018 AU$
Revenue	4	3,104,879	4,147,046
Cost of sales			
Opening inventory		(414,007)	(124,245)
Direct costs		(883,634)	(400,321)
Closing inventory		245,804	414,007
Gross profit		2,053,041	4,036,487
Administrative expenses		(1,033,973)	(2,124,093)
Operating profit		**1,019,068**	**1,912,393**
Unrealised gain of financial assets	5	(172,224)	146,063
Currency gain		-	-
Profit before tax		**846,844**	**2,058,456**
Tax expense	7	(305,720)	(201,678)
Profit for the period attributable to members of the Company		**541,124**	**1,856,778**
Other comprehensive income			
Translation Gain/Loss		**(194,088)**	113,233
Changes in fair value of financial assets through other comprehensive income		**(2,085,316)**	-
Non controlling interest			
Total comprehensive income for the period attributable to members of the Company		**(1,738,280)**	**1,970,012**
Basic & diluted earnings per share	28	0.04	0.07

All of the activities of the Group are classed as continuing. All of the total comprehensive income for the period is attributable to the owners of the Group.

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	30 June 2019 AU$	30 June 2018 AU$
Current assets			
Cash and cash equivalents	8	243,576	220,221
Trade and other receivables	9	2,789,950	402,041
Inventory	10	245,804	414,007
Financial assets	11	5,951,435	6,123,659
Total current assets		**9,230,765**	**7,159,927**
Non-current assets			
Investments	12	6,329,347	8,414,663
Property, plant and equipment	13	1,800	2,579
Intangible assets	14	2,105	2,105
Total non-current assets		**6,333,252**	**8,419,346**
Total assets		**15,564,017**	**15,579,273**
Current liabilities			
Trade and other payables	15	1,718,114	427,502
Borrowings	16	1,172,346	1,157,990
Other payables		-	67,975
Total current liabilities		**2,890,459**	**1,653,467**
Non-current liabilities			
Tax and other related	17	296,014	940,441
Borrowings	18	1,405,341	686,975
Deposit		-	-
Total non-current liabilities		**1,701,356**	**1,627,416**
Total liabilities		**4,591,815**	**3,280,883**
Net assets		**10,972,201**	**12,298,390**

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	30 June 2019	30 June 2018
		AU$	AU$
Equity			
Shares	19	29,503,701	29,091,609
Share Premium		193,022	193,022
Merger reserve		(26,061,971)	(26,061,971)
Retained earnings	20	8,962,496	7,105,717
Current Year Earning	20	541,124	1,856,779
Foreign Exchange – Opening		113,233	-
Foreign Exchange – For the Year		(194,088)	113,233
Asset Reserve		(2,085,316)	-
Total equity and reserves		**10,972,200**	**12,298,390**

These financial statements were approved and authorised for release by the Directors on 30 October 2019 and are signed on its behalf by:

S St Ledger
Managing Director

Company registration number: 07905640

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Ordinary Share Capital	Share Premium	Merger Reserve	Retained Earnings	Asset Reserve	Foreign Exchange	Total Equity
	$	$	$	$	$	$	$
Balance as at 1 July 2017	**27,084,376**	**193,023**	**-26,061,971**	**7,105,717**			**8,321,145**
Comprehensive Income							
Ordinary Share Capital, net of transaction costs	2,007,233						**2,007,233**
Profit for the year				1,856,779			**1,856,779**
Foreign Exchange						**113,233**	**113,233**
Balance as at 30 June 2018	**29,091,609**	**193,023**	**-26,061,971**	**8,962,496**	**0**	**113,233**	**12,298,390**
Ordinary Share Capital, net of transaction costs	412,092						**412,092**
Profit for the year				541,124			**541,124**
Asser Reserve					(2,085,316)		**(2,085,316)**
Foreign Exchange						**194,088**	**-194,088**
Balance as at 30 June 2019	**29,503,701**	**193,023**	**-26,061,971**	**9,503,620**	**2,085,316**	**-80,855**	**10,972,200**

RAPID NUTRITION PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	30-Jun-19	30-Jun-18
		$	$
Cash flows from operating activities			
Receipts from customers		890,360	311,077
Payments to suppliers and employees		-2,011,820	-2,215,779
Net cash used by operating activities	25	**-1,121,460**	**-1,904,702**
Cash flows from investing activities			
Purchase of plant and equipment		0	-2,362
Net cash used by investing activities		**0**	**-2,362**
Cash flows from financing activities			
Proceeds from issue of shares		412,092	2,007,233
Proceeds from related party borrowings		732,722	48,859
Net cash used by financing activities		**1,144,814**	**2,056,092**
Increase/(decrease)in cash and cash equivalents		**23,355**	**149,028**
Cash and cash equivalents at the beginning of the period		220,221	71,193
Cash cash equivalents at the end of the period	8	**243,576**	**220,221**

RAPID NUTRITION PLC

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	30-Jun-19 $	30-Jun-18 $
Statement of Financial Position			
Current assets			
Intercompany loan	21	566,480	790,639
Financial assets	11	5,951,435	6,123,659
Other assets		53,161	53,161
Total current assets		**6,571,076**	**6,967,459**
Non-current assets			
Total Assets		**6,571,076**	**6,967,459**
Current Liabilities			
Intercompany loan		0	0
Total current liabilities		**0**	**0**
Non-Current Liabilities			
Deferred tax		967,141	967,141
Convertible Note		257,302	257,302
Total non-current liabilities		**1,224,443**	**1,224,443**
Total Liabilities		**1,224,443**	**1,224,443**
Net Assets		**5,346,633**	**5,743,016**
Issued Capital		29,406,291	29,091,609
Share Premium		193,022	193,022
Reserves		-2,993,275	-2,284,284
Accumulated Losses	20b	-21,259,405	-21,257,331
Total Equity		**5,346,633**	**5,743,016**

In accordance with section 408 of the UK Companies Act 2006, the Company is availing itself of the exemption from presenting its individual statement of profit or loss and other comprehensive income. The Company's loss for the financial period as determined in accordance with IFRS's is AUD $75,150. The Company had no cashflow in the period, and therefore no cashflow statement has been prepared.

RAPID NUTRITION PLC

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Ordinary Share Capital $	Share Premium $	Foreign Exchange Reserve $	Retained Earnings $	Total Equity $
Balance at 30 June 2018	**28,994,199**	**193,022**	**(2,186,874)**	**(21,257,331)**	**5,743,016**
Comprehensive income					
Loss for the period	-	-		(2,074)	**(2,074)**
Share Issued	412,092				**412,092**
Foreign exchange difference	-	-	(806,401)	-	**(806,401)**
Total comprehensive income for the period	**0**	**-**	-	-	**0**
Balance as at 30 June 2019	**29,406,291**	**193,022**	**(2,993,275)**	**(21,259,405)**	**5,346,633**

The consolidated financial statements and notes represent those of Rapid Nutrition PLC and its subsidiary ("the consolidated group" or "group"), for the year to 30 June 2019.

1. Significant accounting policies

1.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are drawn up under the historical cost convention, except for the revaluation of financial assets.

IFRS, issued by the International Accounting Standards Board (IASB) set out accounting policies that the IASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

Adoption of new and revised standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:
AASB 9 Financial Instruments

The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening retained profits as at 1 July 2018.

Adoption of new and revised standards
Standards and interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company does not have any long term lease agreements (of over one year) therefore, the adoption of the new leases standard will not have a material impact.

1.2 Going concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realization of assets, settlement of liabilities in the normal course of business and the group's ability continue to achieve sales revenue and the successful realisation of future revenue growth via their plans to expand their product lines and distribution partnerships.

The group has also established a trade finance facility and has secured additional institutional investment during the year to further support its forward contracts.

1.3 Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Rapid Nutrition PLC at the end of the reporting period. A controlled entity is any entity over which Rapid Nutrition PLC has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

In the company statement of financial position investment in subsidiaries is accounted for at the nominal value of the shares issued on acquisition.

Business Combinations
Business combinations occur where an acquirer obtains control over one or more businesses.
A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

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

All transaction costs incurred in relation to business combinations are expensed to the statement of comprehensive income. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

IFRS 9 and IFRS 15 (which make amendments to AASB 101) were adopted using the modified retrospective approach. There was no impact on opening retained profits as at 30 June 2019 as a consequence of the adoption of the standards.

1.4 Foreign Currencies

Functional and presentation currency
An entity's functional currency is the currency of the primary economic environment in which it operates. Due to the importance of Australia as the group's headquarters and base of operations, the directors of the group view Australian Dollars as the group's functional currency.

Since the group has recently announced its dual listing in the US, the board has voluntarily decided in accordance with IAS 21 accounting policy to change the presentation currency back to Australian dollars (AUD) as of July 1, 2018 and which has been applied retrospectively. Therefore, all financial information in this consolidated annual financial statements are in Australian dollars (except if stated separately). Prior year comparative consolidated annual financial statement for the period ended June 30, 2019 has been re-presented to reflect the Group's change in presentation currency from GBP to AUD.

The Group had already changed its functional and reporting currency from Australian Dollars ("AUD") to British Pounds Sterling ("GBP") from 1 July 2016 when considering and working towards a dual listing in the UK and for the benefit of future comparability with its industry peer group. The change in presentation currency represented also a voluntary change in accounting policy. The published full year consolidated financial statements as of June 30, 2018 and 2017 were presented in GBP.

The Group completed this change with reference to IAS 21 *The Effects of Changes in Foreign Exchange Rates* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, to calculate the appropriate opening balances and effects on historical balances.

An entity's functional currency is the currency of the primary economic environment in which it operates. Due to the importance of Australia as the group's headquarters and base of operations, which includes but not limited too payroll, insurance, funding raised, majority of cost of sale are incurred and where the board and senior management are based, the directors of the group view Australian Dollars as the group's functional currency. The Group uses Australian bank accounts and all dealings and commercial contracts are through the Australian company.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions.

Foreign currency monetary assets and liabilities at the reporting date are translated at the exchange rate existing at the reporting date. Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

1.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognises revenue when the control is transferred to the customer and/or services are performed. The group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Distribution
The sale of the Group's products is effected through a distributorship model pursuant to which the Group enters into marketing and distribution license agreements with distributors.
The Group's growth strategy, which consists of three key factors – expanded distribution, increased product offerings and strengthened integration, is intended to build a vertically integrated company with a unique position in the biotechnology and nutraceutical space. The Directors believe that this strategy enables the Group to impose superior standards of quality control for its products, to strengthen its value chain, and to scale up to optimum business efficacy.

Sales of goods – wholesale
The group manufactures and sells a range of life science nutrition products in the retail market. Sales of goods are recognised when an order is executed and stock is segregated from the group's inventory, ready for collection in accordance with that customer's terms of trade.
The life science products are often sold with volume discounts; customers have a right to return faulty products in the wholesale market. Sales are recorded based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

Sales are recorded based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

Internet revenue
Revenue from the provision of the sale of goods on the internet is recognized as at the date that payment is received, because that is the point the buyer accepts legal responsibility for the good being sold. Transactions are settled by credit or payment card.

1.6 Finance income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

1.7 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight line method, on the following bases:

Computer equipment	30%
Motor vehicles	20%
Fixture, fittings and equipment	30%

1.8 Intangible Assets

Trademarks and licences
Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Once utilisation commences, trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 15 to 20 years.

1.9 Research and Development

Research costs are not viewed as separable from development costs. As such, all of these costs are expensed as incurred.

1.10 Financial Instruments

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

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

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

Classification and subsequent measurement

Financial assets
Financial assets are subsequently measured at:
— amortised cost;
— fair value through other comprehensive income; or
— fair value through profit or loss

On the basis of the two primary criteria:
— the contractual cash flow characteristics of the financial asset; and
— the business model for managing the financial assets

A financial asset is subsequently measured at amortised cost when it meets the following conditions:
— the financial asset is managed solely to collect contractual cash flows; and
— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are subsequently measured at:

— amortised cost; or

— fair value through profit or loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

— a contingent consideration of an acquirer in a business combination to which AASB 3 applies

— held for trading; or

— initially designated as at fair value through profit or loss

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

— incurred for the purpose of repurchasing or repaying in the near term;

— part of a portfolio where there is an actual pattern of short-term profit taking; or

— a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

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

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

— the right to receive cash flows from the asset has been expired or been transferred;
— all risk and rewards of ownership of the asset have been substantially transferred; and
— the entity no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

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

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

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument’s contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both. The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

For trade receivables, material expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables (“the lifetime expected credit losses”). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

For intercompany loans that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. If the subsidiary does not have sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, an expected credit loss is calculated. This is calculated based on the expected cash flows arising from the subsidiary, and weighted for probability likelihood variations in cash flows.

Critical accounting – estimates and judgements (financial assets)

In the valuation of certain financial assets, the group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumption that have a significant risk of causing material adjustment to the carrying amounts of financial assets within the next financial year are addressed as follows:

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, and consideration of all available data, to enable the directors to make the best assessment possible. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

1.11 Cash & Cash Equivalents

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

1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges for purchases of raw materials.

1.13 Trade Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.14 Trade Payables

Trade and other payables are recognised when the group becomes obliged to make future payments resulting from the purchase of goods and services. They are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method. Current liabilities represent those amounts falling due within one year.

1.15 Goods and Services Tax (GST)

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

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

1.16 Borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

1.17 Finance Leases

The group leases certain motor vehicles where the group has substantially all the risks and rewards of ownership; these leases are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The motor vehicles acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

1.18 Income Tax

Income 887
tax is calculated using tax rates and laws that have been enacted or substantively enacted at the period-end date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the statement of financial position where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the period-end date.

1.19 Post Retirement Benefits

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Superannuation – the Australian defined contribution pension scheme – is mandated by Australian law and presently set at 9.5% of gross salary payable to an employee.

The group pays contributions to publicly or privately administered pension insurance plans on a mandatory basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

1.20 Contributed Equity

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Company reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognise directly in equity.

New accounting standards not applied

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019, with earlier application permitted (as long as IFRS 15 is also applied).

The objective of IFRS 16 is to report information that (a) faithfully represents lease transactions and (b) provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

1.21 Merger Reserve

The merger reserve account, shown within equity, relates to a historical acquisition by Rapid Nutrition PLC of Rapid Nutrition Pty Ltd. At the time of the acquisition, both entities were under common control and hence scoped out of IFRS accounting standards. The Directors chose to apply merger accounting from UK GAAP in this instance, leading to the creation of the merger reserve.

This balance effectively reduces the share capital value back to its value before the merger, as no increase in assets was achieved through the transaction.

1.22 Segment Reporting

Operating segments were reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

2. Parent Information

Contingent Liabilities
At 30 June 2019, Rapid Nutrition PLC did not have any contingent liabilities.

Contractual Commitments
At 30 June 2019, Rapid Nutrition PLC had not entered into any contractual commitments for the acquisition of property, plant or equipment.

3. Operating Segments

Operating segments must be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The group's main reporting channels are its geographical distribution networks, hence the Board (the group's chief operating decision maker) believe that, at 30 June 2019, there were three main segments, with revenue (the financial variable they evaluate performance via) as follows:

Location	Revenue – year to 30 June 2019	Revenue – year to 30 June 2018 $
Australia	840,886	143,095
USA	2,261,306	3,271,624
Other	-	646,886
Total	**3,104,879**	**4,061,605**

The remainder of the group's position and performance are considered on a collective basis by the Board; hence the main financial statements are suitable for their analysis.

As a growth company, the Board's focus is brand expansion, of which they consider revenue their key driver.

4. Revenue

	30 June 2019 $	30 June 2018 $
Direct Sales	1,253,536	2,088,716
Licensing Fees	1,850,000	1,972,756
Government Grant	-	85,441
Interest Income	1,343	133
	3,104,879	**4,147,046**

5. Operating profit

The following items have been included in arriving at the operating profit:

	30 June 2019 $	30 June 2018 $
Gains on foreign exchange	-172,224	146,063
Expenses:		
Depreciation on property, plant and equipment		-
Directors' remuneration	150,000	150,000
Superannuation contributions (directors)	14,250	14,250
Directors' consulting fees	0	
Auditor's remuneration		
- As auditors (for group and subsidiary)	0	0
- As tax agents (for tax compliance)	0	0

All remuneration payable to the auditors has been disclosed above. No other non-audit services have been provided. No benefits in kind are payable to the auditors.

Contributions to superannuation (money purchase pension schemes) are made on behalf of one director of the group.

6. Employees

	30 June 2019 $	30 June 2018 $
Staff costs for the group during the period:		
Wages and salaries	271,692	181,093
Other pension costs	25,623	14,250
	297,315	**195,343**

The average monthly number of staff (including executive Directors) employed by the group during the period amounted to:

	30 June 2019	30 June 2018
Management staff	3	3

The Company retains contract staff on a commission basis as needed. This enables rapid expansion of the Company's presence on the ground in new markets, to establish the sales network and facilitate rapid growth.

7. Taxation

	30 June 2019 $	30 June 2018 $
Current Tax		
Current tax on profits in the period	305,720	201,678
Reverse of previous over-accrual	-	-
Deferred Tax		
Origination of temporary timing differences	-	738,763
Income Tax Expense	**305,720**	**940,441**

The deferred tax charge shown relates to the unrealised gain recognised on financial assets held at 30 June 2019 as disclosed in Note 12. It is due to temporary timing differences between the recognition of the gain and the charging of tax as well as the effective tax rate due to the difference in tax rates in subsidiary jurisdictions. Adjustments for the year also take into account FX and or CTA.

Factors affecting current tax charge

All operations are undertaken in Australia, thus 100% of the Group profit is considered taxable under Australian law. The current rate of tax in Australia is 30%.

	30 June 2019 $	30 June 2018 $
Profit before taxation	846,844	2,058,457
Profit on ordinary activities multiplied by the standard rate of tax in the Australia of 30% (2016: 30%)	(305,720)	(201,678)
Income adjustments (unrealised loss)	-	-
Brought forward losses utilised	-	-
Total current tax	**(305,720)**	**(201,678)**

No change in the corporation tax rate has been announced by the Australian Tax Office for any upcoming period.

8. Cash and cash equivalents – group

	30 June 2019 $	30 June 2018 $
Cash at bank	**243,576**	**220,221**

Cash at bank is included as cash and cash equivalents in connection with the statement of cash flows.

When in overdraft, this balance is included in trade and other payables.

9. Trade and other receivables - group

	30 June 2019 $	30 June 2018 $
Trade receivables	2,789,950	402,041
	2,789,950	**402,041**

10. Inventory - group

	30 June 2019 $	30 June 2018 $
Finished goods	**245,804**	**414,007**

11. Financial assets – group and parent company

Financial assets measured at fair value through profit or loss

Financial assets held for trading:

- Investments in equity instruments

	30 June 2019 $	30 June 2018 $
Motivate Health Technologies, Inc.		
	5,951,435	**6,123,659**

Shares held for trading are traded for the purpose of profit taking. Changes in fair value are included in the statement of profit or loss and other comprehensive income. The Company received an independent assessment of fair value of its minority investment in Motivate Health Technologies Inc as at 30th June 2019. The valuation was undertaken on a going concern basis. Calculation of the value for the business and equity were prepared on a Discounted Cash Flows basis. The Company holds a 13.9% minority shareholding in Motivate Health Technologies, Inc. (4,450,000 out of 32,035,742 shares).

Reconciliation of year end balance:

Unrealised gains:	$
- Brought forward	6,123,659
- Loss to 30 June 2019	(471,533)
Foreign exchange Gain	299,309
Value at period end	**5,951,435**

12. Investments

- Adopted classification under IFRS 9

	30 June 2019 $	30 June 2018 $
Investment in Vibe Life	100	100
Investment in Streamcast Marketing LLC	6,329,247	8,414,663
	6,329,347	**8,414,663**

As part of the group's long term vision, and change of business model, the group holds an equity position in the above companies to further support its marketing and distribution efforts in Australia, China and USA. The Company received an independent assessment of fair value of its 19% minority holding in Streamcast Marketing LLC as at 30th June 2019. The valuation was undertaken on a going concern basis. Calculation of the value for the business and equity were prepared in a Discounted Cash Flows basis.

13. Property, plant and equipment - group

	Motor Vehicles $	**Computer Equipment $**	**Fixtures, fittings and equipment $**	**Total $**
Cost				
As at 1 July 2018	176,927	22,319	10,860	**210,106**
Additions	-	1,566	-	1,566
At 30 June 2019	**176,927**	**23,885**	**10,860**	**211,672**
Depreciation				
As at 1 July 2018	176,927	19,740	10,860	**207,527**
Charge for the period	-	2,344	-	2,344
At 30 June 2019	**176,927**	**22,084**	**10,860**	**209,871**
Net book amount at 30 June 2019	**-**	**1,800**	**-**	**1,800**

14. Intangible Assets - group

	30 June 2019 $	30 June 2018 $
Intellectual property	**2,105**	**2,105**

15. Trade and other payables – current - group

	30 June 2019 $	30 June 2018 $
Trade Payables	363,035	254,063
Other	1,130,079	9,189
Accrued wages	225,000	164,250
	1,718,114	**427,502**

The balance of accrued wages is owed to Mr St Ledger, the Executive Chairman, and his related parties.,.

16. Borrowings - group

	30 June 2019 $	30 June 2018 $
Other Loans	1,172,346	1,157,990
	1,172,346	**1,157,990**

The amount in other loans is a short term loan provided by J&J Smith, shareholders in the Company. The loan is unsecured, subject to interest at 6.5% per annum and has been fully reconciled to recognize all expenses paid on the Company's behalf by the lender. Principle and interest repayments are made on a monthly basis.

17. Tax and other related

	30 June 2019 $	30 June 2018 $
Deferred tax liability	(9,706)	940,441
Tax payable	296,014	940,441

The deferred tax liability has been calculated in relation the financial asset held by the parent company (and group) – see Note 12.

18. Non-current borrowings – group

	30 June 2019 $	30 June 2018 $
Loans from related parties	1,405,341	686,975
	1,405,341	**686,975**

Related party loans is a short term loan provided by shareholders in the Company. The loan is unsecured, subject to interest at 6.5% per annum and has been fully reconciled to recognize all expenses paid on the Company's behalf by the lender. Principle and interest repayments are made on a monthly basis.

19. Contributed equity – group and parent company

	30 June 2019 Securities	30 June 2018 Securities	30 June 2019 $	30 June 2018 $
Ordinary no. of shares	34,374,674	32,459,824	29,503,701	29,091,609
	34,374,674	**32,459,824**	**29,503,701**	**29,091,609**

The holder of the ordinary shares is entitled to one vote per share at any meeting of the Company whether in person or by proxy. The holder is entitled to receive dividends declared from available profits and to the surplus of assets on a winding up.

20. Retained Earnings

a) Group

	30 June 2019 $	30 June 2018 $
Balance brought forward	8,962,496	7,105,717
Profit for the year	541,124	1,856,779
Balance carried forward	**9,503,620**	**8,962,496**

b) Parent company

	30 June 2019 $	30 June 2018 $
Balance brought forward	(21,257,331)	(20,639,295)
Profit for the year	(2,074)	(618,036)
Balance carried forward	**(21,259,405)**	**(21,257,331)**

21. Intercompany loan – parent company

	30 June 2019 $	30 June 2018 $
Balance brought forward	790,639	(673,238)
Monies advanced	-	-
Other movement	(224,159)	1,463,877
Balance carried forward	**566,480**	**790,639**

22. Investment in subsidiary

a) Group

The group controlled 100% of the share capital of its direct subsidiary, Rapid Nutrition Pty Ltd in the current and prior period. The results of this subsidiary have been consolidated on a line by line basis into the consolidated financial statements.

The group also incorporated Rapid Nutrition Asia Pty Ltd, Rapid Nutrition Australia Pty Ltd and Rapid Nutrition Canada Inc, during the period which remains a subsidiary of the Company. The results of this subsidiary have been consolidated on a line by line basis into the consolidated financial statements.

b) Parent company

Value of investment in subsidiary

	30 June 2019 $	30 June 2018 $
Value of shares held	26,061,971	26,061,971
Provision for impairment	(26,061,971)	(26,061,971)
Balance at year end date	-	-

Please note, provisions are reversible in future years, depending on results and growth.

23. Related party transactions

Name (relationship)	Transaction	Amount		Amount due from/(to) related party	
		2019 $	2018 $	2019 $	2018 $
JBG Corp Pty Ltd	Consulting Fees	0	20,000	-	-
	Loan funds	206,050	53,088	142,296	(63,754)

Nature of related parties

JBG Corp Pty Ltd is a company controlled by Leisa St Ledger who is a related parties.

Transactions with related parties.

All transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties

Key Management Personnel
All transactions with key management personnel (the directors) during the year ended 30 June 2019 are disclosed below:

2019	*Salary ($)*	*Superannuation ($)*	*Consultancy Fees ($)*	***Total ($)***
Simon St Ledger [1]	150,000	14,250	-	**164,250**
Shayne Kellow	-	-	-	**-**
Vesta Vanderbeken[2]	-	-	16,281	**-**

[1] – Simon St Ledger's employment terms, as formalised by board resolution, specify a salary of AUD 150,000 per year. During the year to 30 June 2019, nil was paid. The remainder is outstanding at the year end.
[2] – Vesta Vanderbeken's was provided with relevant contract that has been executed prior to the appointment. The fee payable for carrying out her duties is an annual gross amount of GBP12,000 (AUD$21,680). $16,281 remains outstanding as at June 30, 2019.

During the period, there were no advances, credits or guarantees subsisting on behalf of the directors.

25. Reconciliation of operating profit to net cash outflow from operations

	30 June 2019 $	30 June 2018 $
Profit after tax	541,124	1,856,779
Adjustments for:		
Taxation	305,720	201,678
Depreciation	2,344	343
Unrealised gains/(loss)	(172,224)	(146,063)
Impairment of investment	-	-
Gain on foreign exchange (non-cash)	-	-
Share based payments	-	(8,299,479)
Decrease/(increase) in Receivables	(2,387,909)	2,302,101
(Increase)/decrease in Inventory	293,203	(414,762)
(Decrease)/increase in Payables (excluding tax)	296,281	(291,937)
(Decrease)/increase in Deposits	-	2,886,638
Increase in conversion of debt to equity	-	-
Increase in Other borrowings	-	-
Net cash outflow from operations	**(1,121,461)**	**(1,904,702)**

26. Financial risk management

The group's financial instruments consist mainly of shares held in other companies, deposits with banks, accounts receivable and payable & loans from related parties.

The group's financial instruments at 30 June 2019 were classified as follows:

	Note	30 June 2019 $	30 June 2018 $
Financial assets			
Cash and cash equivalents	8	243,576	220,221
Trade and other receivables	9	2,789,950	402,041
Financial assets	12	5,951,435	6,123,659
Total financial assets		**8,984,961**	**6,745,921**
Financial liabilities			
- Trade and other payables	16	842,438	495,477
- Borrowings	17, 19	1,172,346	1,157,990
		2,017,784	**1,653,467**

Fair value versus carrying amounts

All items shown in the preceding table as either financial assets or financial liabilities are short term instruments whose carrying value is equivalent to the fair value. There is not considered to be a material difference between the fair value and the carrying value.

Specific Financial Risk Exposures and Management

The group's activities expose it to a number of financial risks that include market risk, credit risk and liquidity risk.

(a) Market Risk

i) Foreign exchange risk

The group's main financial asset – shares held at fair value through the profit and loss – are denominated in US dollars, so the risk of any adverse movement in the foreign currency exchange rates is borne by the group.

As at 30 June 2019, if the US dollar had strengthened/weakened by 5% against the Australian dollar with all other variables held constant, comprehensive income for the period and assets would have been adjusted higher/lower, as a result of foreign exchange gains/losses on transaction of the financial asset.

ii) Interest rate risk

The group had interest-bearing liabilities during the period, but is not exposed to interest rate risk because the interest rates on their liabilities are set by private agreement, not by reference to market rates. The group does not have any liabilities to financial institutions at 30 June 2019. As such, sensitivity analysis with regard to movements in interest rates would not be meaningful.

(b) Credit risk
Exposure to credit risk relating to financial assets arises from the potential non-performance of counter-parties of contract obligations that could lead to financial losses to the group.

Credit risk exposures
The group had no significant concentrations of credit risk. For loans receivable and payable, please refer to Note 9 – Trade and Other Receivables & Note 17 & 19 – Borrowings. Loans are unsecured and have no fixed repayment date.

(c) Liquidity risk
Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through careful cash management policies. In order to meet its short term obligations, the group has the support of several key shareholders who are willing to provide funds to the group on an as-needed basis.

27. Share Based Payments

No share options have been granted to employees or directors

28. Earnings per share

The following reflects earnings and share data used in the earnings per share calculation.

	30 June 2019 $	30 June 2018 $
Profit for the year	1,019,068	1,912,394
Number of shares	34,374,674	32,459,824

There were no instruments (e.g. redeemable preference shares or share options) in issue as at 30 June 2019 that could potentially dilute earnings per share in the future.

29. Subsequent Events

- As announced on 8 July 2019, the Group successfully obtained Clearing and Depository Services ("CDS") eligibility in North America. CDS eligible often increase trading volume. As Rapid Nutrition moves forward with its business plans, CDS eligibility will extend its reach to a broader audience of investors, both in North America and internationally. The Company incorporated a one hundred percent (100%) owned subsidiary in Canada with the name “Rapid Nutrition Canada Inc.”
- The Company announced with reference to its media announcement of 14 June 2019, valid conversion notices from Investors have been received in respect of 1,914,850 new shares. Following the conversion, the total number of share in issue is 34,374,674.
- As announced 24 July, 201, the Company has expanded its distribution partnering with ASX listed pharmaceutical company Sigma Healthcare to launch health and wellness giant GNC further across the Australian pharmacy network.
- As announced 13 August, 2019 the Company has further expanded its distribution network partnering with Australia’s largest natural health retailer, Mr Vitamins.

- Opening order from GNC, USA for the Company's flagship brand SystemLS™ was delivered by the Company to GNC's distribution centers in August 2019 in preparation to go into 500 GNC store shelves next month.

Other than as disclosed above, the directors are not aware of any significant events since the end of the reporting period.

30. Company Details

The registered office of Rapid Nutrition PLC is:

27 Old Gloucestor Street
London
England
WC1N3AX

The principal place of business is:

40-46 Nestor Drive
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Australia