

JATCORP LIMITED
Appendix 4E
Preliminary final report

1. Company details

Name of entity: Jatcorp Limited
 ABN: 31 122 826 242
 Reporting period: For the year ended 30 June 2023
 Previous period: For the year ended 30 June 2022

2. Results for announcement to the market

Key information	12 months ended this reporting period \$	12 months ended previous period \$	Change %
Revenues from ordinary activities	57,367,372	34,143,512	68.02%
Loss from ordinary activities after tax attributable to the owners of Jatcorp Limited	(2,525,535)	(6,313,829)	(60.00%)
Loss for the year attributable to the owners of Jatcorp Limited	(4,476,085)	(6,971,913)	(35.80%)

Commentary on results

The FY2023 was a year of change for Jatcorp as well as a year of building up a solid foundation for the future. The new leadership was appointed following the Shareholder meeting in September 2022, and has taken decisive steps to rebuild Jatcorp and bring the business back on track for the rest of FY23. The yearly revenue has significantly increased 68% and loss for the business was greatly narrowed 60% as compared with those in FY22.

a) Highlights

- Revenue has grown by 68.02% to \$57.4m in FY23.
- Gross profit has grown by 181% to \$11.2m in FY23. Gross margin has improved from 11.7% to 19.6%.
- EBITDA of -\$3.9m in FY23, representing an improvement of \$3.8m from -\$7.7m in FY22. Excluding the impairment loss, the adjusted EBITDA is -\$3.28m in FY23, representing an improvement of \$3.18m from -\$6.46m in FY22. Adjusted EBITDA is non-IFRS measure and presented to better understand operating efficiency.
- Operating cash flow has increased to -\$960K in FY23, representing an improvement of \$1.82m from -\$2.78m in FY22. Cash balance was \$3.8m at the end of June 2023.
- The loss from ordinary activities after tax attributable to the owners of Jatcorp Limited has greatly narrowed by 60% from -\$6.3m in FY22 to -\$2.5m in FY23.
- On a normalized basis the Company made breakeven based on the continuing business if the impact of professional fees of \$2.42m in relation to legal proceedings against the former directors of Sunnya Pty Ltd and other related parties is excluded from the FY23 statutory results. Jatcorp expects to be successful against the defendants in these legal proceedings in the final hearings and if so will seek to recover a portion of these costs as well its claim of up to approximately \$30m against those defendants.

b) Key business activities

ANMA's factory is one of Jatcorp's core assets. On 22 July 2022 and 9 August 2022, the ANMA acquisition payable balance totaling \$1,847,338 was paid in full. The company has invested in

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new machinery and upgraded the existing production line in FY23. Warehouse racking and layout were reconfigured and well planned. Around 700 additional pallets holding capacity was secured. The factory has also implemented the new Inventory Management System to capture better stock control. Working efficiency per shift has improved 30% and production cost was significantly reduced.

In October 2022, Jatcorp signed an important sales contract to supply milk powder products to BTNature Pty Ltd, a leading milk brand company selling predominantly into China. The Contract is for up to approximately \$28 million in product sales over 12 months. JAT has received and completed \$20m of production order from BTNature, representing approximately 72% of the yearly contract completed. The Company is confident of completing the remaining orders as planned and the extension of the contract for FY24 is under negotiation.

In November 2022, Jatcorp launched its new corporate website, featuring a fresh look and feel, easy navigation and improved accessibility. The new website continued to attract interests from both investors and customers. Jatcorp closed its Melbourne office in January 2023 and relocated to Sydney in February 2023.

On 1 June 2023, Jatcorp successfully attended the Vietnam Baby and Mother exhibition in Ho Chi Minh City. The Company attracted good interests for Neurio products from both distributors and end consumers. The Company has also established a distribution channel to the Vietnam market. There are three SKU's under import registration in Vietnam. The first order is expected to be realised soon.

On 28 June 2023, Jatcorp launched Moroka branded lactoferrin on the 23rd Shanghai International Children Baby and Maternity Products Industry Expo. Moroka products have been well accepted by distributors and are currently under promotion stage. The Moroka brand flagship store on Tmall is also established.

In June 2023, Jatcorp produced and delivered the first order (over 13,000 units) of the diabetic supplement powder and Immune supplement powder for a Taiwan client. The Taiwan market for JAT is open now. More container orders are expected in FY24.

c) Geographical performance

Revenue of our products from the international market was \$24.2m, representing 42.2% of the revenue in FY23, an increase of 16.5 percentage points from 25.7% of the revenue in FY22.

Jatcorp's subsidiary in Hong Kong has also achieved a record of international trading revenue of \$20m in FY23.

3. Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2022 paid	nil	nil
Interim dividend for the year ended 30 June 2023 paid	nil	nil

4. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.94</u>	<u>10.02</u>

5. Control gained over entities

Name of entities (or group of entities)

LTR trading PTY LTD

Date control gained

11/11/2022

\$

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)

713,200

Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)

0

6. Loss of control over entities

Name of entities

KTPD HOLDING PTY LTD and Green
Forest International Pty Ltd

Date control lost

9/03/2023

\$

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)

-727,227

Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)

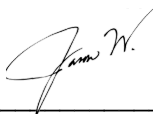
-1,407,790

7. Audit qualification or review

The preliminary final report is unaudited and an unmodified opinion with emphasis of matter of Material Uncertainty Related to Going Concern is likely to be issued.

8. Signed

Signed



Date: 31 August 2023

Zhan Wang

Managing Director
Sydney

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

		2023	2022
	Note		
Revenue	5	57,367,372	34,143,512
Cost of Sales	7	(46,126,668)	(30,143,333)
Gross Profit		11,240,684	4,000,179
Other Income		262,340	227,788
Advertising & Marketing		(3,551,846)	(4,200,361)
Consultancy & Professional Fees		(3,117,428)	(520,949)
Employee Benefits		(3,214,248)	(3,017,086)
Directors' Fees		(797,725)	(327,990)
Administration Expenses		(1,247,136)	(615,407)
Other Expenses		(275,863)	(490,678)
Finance Costs		(190,530)	(1,166,409)
Share Based Payments		-	(109,789)
Depreciation & Amortisation	6	(1,021,045)	(1,011,236)
Impairment Loss		(742,312)	(1,238,867)
Loss before income tax expense from continuing operations		(2,655,109)	(8,470,805)
Income tax benefit/(expense)		206,250	(133,170)
Loss after income tax expense from continuing operations		(2,448,859)	(8,603,975)
Loss after income tax expense from discontinued operations	8	(2,165,833)	(1,407,790)
Loss after income tax expense for the year		(4,614,692)	(10,011,765)
Total comprehensive loss for the year		(4,614,692)	(10,011,765)
Loss for the year is attributable to:			
- Members of parent entity		(4,476,085)	(6,971,913)
- Non-controlling interest		(138,607)	(3,039,852)
Loss after income tax expense for the year		(4,614,692)	(10,011,765)
Total loss for the year is attributable to:			
Continuing operations		76,676	(2,290,145)
Discontinued operations		(215,283)	(749,707)
Non-controlling interest		(138,607)	(3,039,852)
Continuing operations		(2,525,535)	(6,313,829)
Discontinued operations		(1,950,550)	(658,084)
Owners of Jatcorp Limited		(4,476,085)	(6,971,913)
Loss after income tax expense for the year		(4,614,692)	(10,011,765)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

	Cents	Cents
Losses per share for profit from continuing operations attributable to the owners of Jatcorp Ltd		
Basic Losses per share	(0.10)	(0.21)
Diluted Losses per share	(0.10)	(0.21)
Losses per share for profit from discontinued operations attributable to the owners of Jatcorp Ltd		
Basic Losses per share	(0.08)	(0.16)
Diluted Losses per share	(0.08)	(0.16)
Losses per share for profit attributable to the owners of Jatcorp Ltd		
Basic Losses per share	(0.18)	(0.37)
Diluted Losses per share	(0.18)	(0.37)

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Consolidated Statement of Financial Position

		30 June 2023	30-Jun-22
	Note	\$	\$
CURRENT ASSETS			
Cash & Cash Equivalents	10	3,805,928	3,859,919
Trade and Other Receivables	11	7,274,918	1,836,039
Inventory	12	4,734,383	4,946,768
Tax receivable		247,434	194,350
TOTAL CURRENT ASSETS		16,062,663	10,837,076
NON-CURRENT ASSETS			
Property, Plant and Equipment	13	4,847,841	5,101,509
Trade and Other Receivables		160,125	67,848
Right of Use Asset	14	2,493,394	3,529,811
Investment in Joint Ventures		-	301,633
Intangible Assets	9	2,714,644	2,960,343
Deferred Tax Assets		28,047	-
TOTAL NON-CURRENT ASSETS		10,244,051	11,961,144
TOTAL ASSETS		26,306,714	22,798,220
CURRENT LIABILITIES			
Trade and Other Payable	15	1,804,521	3,410,384
Contract liabilities	16	7,578,507	3,698,395
Borrowings	17	3,173,617	1,782,797
Lease Liabilities	18	540,666	476,837
Provision		335,978	332,053
TOTAL CURRENT LIABILITIES		13,433,289	9,700,466
NON-CURRENT LIABILITIES			
Borrowings	17	-	1,602,819
Lease Liabilities	18	2,223,663	3,555,458
Provision		213,886	-
Deferred Tax Liabilities		-	458,100
TOTAL NON-CURRENT LIABILITIES		2,437,549	5,616,377
TOTAL LIABILITIES		15,870,838	15,316,843
NET ASSETS		10,435,876	7,481,377
EQUITY			
Contributed Equity	19	90,231,570	85,981,706
Share Options		-	1,024,789
Accumulated Losses	20	(81,952,519)	(80,167,772)
Total Parent Equity		8,279,051	6,838,723
Non-controlling Interests	21	2,156,825	642,654
TOTAL EQUITY		10,435,876	7,481,377

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Contributed Equity	Non- Controlling Interest	Accumulated losses	Share Options Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2021	77,859,269	4,858,505	(73,195,855)	400,000	9,921,919
Loss for the year	-	(3,039,851)	(6,971,917)	-	(10,011,768)
Dividend declared by Subsidiaries	-	(1,176,000)	-	-	(1,176,000)
Shares issued during the year net of cost	8,037,437	-	-	-	8,122,437
Share Option	-	-	-	709,789	709,789
De-recognition of unissued shares	85,000	-	-	(85,000)	(85,000)
Balance at 30 June 2022	85,981,706	642,654	(80,167,772)	1,024,789	7,481,377
Balance at 1 July 2022	85,981,706	642,654	(80,167,772)	1,024,789	7,481,377
Loss for the year	-	(138,607)	(4,476,085)	-	(4,614,692)
Shares issued during the year net of cost	4,249,864	-	-	-	4,249,864
De-recognition of discontinued operations	-	1,652,778	1,666,549	-	3,319,327
Option expired	-	-	1,024,789	(1,024,789)	-
Balance at 30 June 2023	90,231,570	2,156,825	(81,952,519)	-	10,435,876

Consolidated Statement of Cashflows

	30 June 2023	30 June 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	60,692,028	40,352,059
Payments to suppliers and employees	(61,206,442)	(41,276,624)
Interest received	19,525	2,632
Interest and other finance cost paid	(190,530)	(1,185,789)
Income taxes paid	(332,981)	(919,435)
Government grants and tax incentives	54,910	243,027
Net cash outflow in operating activities	(963,490)	(2,784,130)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	235,285	(1,381,513)
Proceeds from sale of Investments	200	-
Payments for the acquisition of controlled entities	(1,847,338)	(216,600)
Net cash inflow/(outflow) in investing activities	(1,611,852)	(1,598,113)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares, net of costs	4,249,864	8,037,437
Net repayment of borrowings	(1,174,008)	(4,613,732)
Lease payments	(554,505)	(420,256)
Dividends declared by subsidiary	-	(1,176,000)
Net cash inflow in finance activities	2,521,351	1,827,449
Net decrease in cash and cash equivalents	(53,991)	(2,554,794)
Cash and cash equivalents at the beginning of the period	3,859,919	6,414,713
Cash and cash equivalents at the end of the period	3,805,928	3,859,919

Basis of preparation

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

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. As disclosed in the financial statements, the consolidated entity incurred a loss of \$4,614,692 and had net cash outflows from operating activities of \$963,490 for the year ended 30 June 2023. As at that date the consolidated entity had net current assets of \$2,629,374 and net assets of \$10,435,876. The ability of the consolidated entity to continue as a going concern is dependent on a number of factors, the most significant of which is the ability to generate positive operating cash flows through its continued operations.

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

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

- The Group had a cash balance of \$3,805,928 as at the end of current financial year;
- The Directors have considered the Group's cash flow forecast which indicates the Group to continue to operate within the limits of its available cash reserves; and
- If required, the Group has the ability to reduce discretionary spending in its consultancy expenditures.

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

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

Disclosure Notes

Note 5. Revenue

	Consolidated	
	2023	2022
	\$	\$
From continuing operations		
Trading Income	57,367,372	34,143,512
Revenue from continuing operations	57,367,372	34,143,512

Note 6. Depreciation & Amortisation

	Consolidated	
	2023	2022
	\$	\$
Depreciation		
Leasehold improvements	53,532	53,877
Plant and equipment	253,824	256,632
Buildings	9,597	9,642
Buildings right-of-use assets	458,392	445,385
Total depreciation	775,345	765,536

Amortisation

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Customer relationship	245,700	245,700
Total amortisation	245,700	245,700
Total depreciation and amortisation	1,021,045	1,011,236

Note 7 . Cost of Sales

	Consolidated	
	2023	2022
	\$	\$
Inventory write-down	1,036,812	3,498,556
Raw materials, consumables used and overheads	45,089,856	26,644,777
Total cost of Sales	46,126,668	30,143,333

Note 8. Discontinued operations

Description

On 9th of March, the consolidated entity sold Green Forest International Pty Ltd and KTPD Holdings Pty Ltd ("Green Forest Group") for consideration of \$200 resulting in a loss on disposal before income tax of \$1,761,643. There is no possibility to generate a profit from management point of view, to dispose of the unprofitable operations, it met the consolidated entity's long term strategy and the directors decided to dispose of it.

Financial performance information

Green Forest Group

Condensed consolidated statement of profit or loss

	Consolidated	
	2023	2022
	\$	\$
Revenue	1,162,874	3,712,535
Cost of Sales	(1,098,614)	(3,497,149)
Gross Profit	64,260	215,386
Other Income	72,678	132,980
Advertising & Marketing	(9,797)	(117,162)
Consultancy & Professional Fees	(322,081)	(871,454)
Employee Benefits	(300,691)	(494,243)
Administration Expenses	(82,144)	(133,211)
Other Expenses	(2,665)	-
Finance Costs	(7,542)	(19,380)
Depreciation & Amortisation	(46,690)	(119,167)
Impairment Loss	(92,555)	(1,539)
Loss Before Income Tax	(727,227)	(1,407,790)
Income Tax Expense	323,037	-
Total Comprehensive Loss for the year	(404,190)	(1,407,790)
Loss on disposal	(1,761,643)	-
Loss after income tax expense from discontinued operation	(2,165,833)	(1,407,790)

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Cash flow information

	Consolidated	
	2023	2022
	\$	\$
Net cash from operating activities	(357,873)	(1,234,068)
Net cash from financing activities	274,627	777,986
Net cash used in investing activities	15,169	16,721
Net increase in cash and cash equivalents from discontinued operations	(68,077)	(439,361)

Carrying amounts of assets and liabilities disposed

	Consolidated 2023 \$
Current assets	
Cash & cash equivalents	94,040
Trade and Other Receivables	75,702
Inventory	156,686
Financial assets	-
Total current assets	326,428
Non-current assets	
Property, Plant and Equipment	68,799
Total non-current assets	68,799
Total assets	395,227
Current liabilities	
Trade and Other Payable	51,151
Borrowings	313,655
Provision for Employee Benefits	30,193
Total current liabilities	394,999
Non-current liabilities	
Borrowings	3,274,755
Total non-current liabilities	3,274,755
Total liabilities	3,669,754
Net liabilities	(3,274,527)

Details of Disposal

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

Note 9 Intangible Assets

	2023	2022
	\$	\$
Goodwill	2,347,482	2,347,482
Trade Names at cost	597,000	597,000
Less: accumulated amortisation	(281,817)	(222,117)
Carrying value	315,183	374,883
Customer Relationship at cost	2,830,000	2,830,000
Less: accumulated amortisation	(1,975,337)	(1,789,337)
Impairment loss	(802,684)	(802,685)
Carrying value	51,979	237,978
Import Licence at cost	12,353,275	12,353,275
Less: accumulated amortisation	(1,703,900)	(1,703,900)
Impairment loss	(10,649,375)	(10,649,375)
Carrying value	-	-
Total intangible assets	2,714,644	2,960,343

Movements in carrying amount of intangible assets

Goodwill		
Balance as at 1 July	5,951,081	5,951,081
Impairment Loss	(3,603,599)	(3,603,599)
Carrying Value	2,347,482	2,347,482
Trade Names		
Balance as at 1 July	374,883	434,583
Amortisation	(59,700)	(59,700)
Carrying Value	315,183	374,883
Customer Relationships		
Balance as at 1 July	237,978	423,978
Amortisation	(186,000)	(186,000)
Carrying Value	51,978	237,978
Import Licence		
Balance as at 1 July	12,353,275	12,353,275
Impairment Loss	(10,649,375)	(10,649,375)
Amortisation	(1,703,900)	(1,703,900)
Carrying Value	-	-
The total impairment charge to profit in the year comprises:		
Sunnya goodwill	-	3,603,599
Total impairment	-	3,603,599

Note 10. Current assets - cash and cash equivalents

	Consolidated	
	2023	2022
	\$	\$
Cash at bank	1,805,928	3,714,881
Cash on deposit	2,000,000	145,038
Total	3,805,928	3,859,919

Reconciliation to cash and cash equivalents at the end of the financial year

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

Balances as above	3,805,928	3,859,919
Balance as per statement of cash flows	3,805,928	3,859,919

Note 11. Current assets - trade and other receivables

	Consolidated	
	2023	2022
	\$	\$
Current		
Trade receivables	1,563,411	569,542
Supplier deposits	5,886,370	1,424,245
Other receivables	205,513	341,909
Current term deposit	145,038	-
Expected credit loss allowances*	(525,414)	(494,459)
Total	7,274,918	1,836,039

Allowance for expected credit losses

*The consolidated entity has recognised a loss of \$30,955 in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

Note 12. Current assets - inventories

	Consolidated	
	2023	2022
	\$	\$
Finished goods	1,302,271	2,587,699
Raw materials	3,670,362	1,822,326
Stocks in transit	70,971	905,974
Packaging materials	611,138	226,987
Impairment allowance	(920,358)	(596,218)
Total	4,734,383	4,946,768

Note 13. Non-current assets

Property, plant and equipment

	Consolidated	
	2023	2022
	\$	\$
Property at cost	1,279,264	1,279,264
Less: accumulated depreciation	(30,579)	(20,981)
Total property	1,248,685	1,258,283
Plant and equipment at cost	5,245,080	5,046,121
Less: accumulated depreciation	(1,684,131)	(1,368,717)
Total plant and equipment	3,560,949	3,677,404
Motor vehicles at cost	42,000	203,057
Less: accumulated depreciation	(3,792)	(37,235)
Total motor vehicles	38,208	165,822
Total property, plant and equipment	4,847,842	5,101,509

Movements in carrying amounts

	Property	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$
Year ended 30 June 2023				
Balance at the beginning of year	1,258,283	3,677,404	165,822	5,101,509
Additions	-	187,283	42,000	229,283
Disposal	-	(4,851)	(201,575)	(206,426)
Depreciation	(9,597)	(298,889)	31,962	(276,524)
Balance at the end of the year	1,248,686	3,560,947	38,209	4,847,842
Year ended 30 June 2022				
Balance at the beginning of year	1,267,924	3,750,059	203,057	5,221,040
Additions	-	251,968	-	251,968
Disposal	-	(35,415)	-	(35,415)
Depreciation	(9,641)	(289,208)	(37,235)	(336,084)
Balance at the end of the year	1,258,283	3,677,404	165,822	5,101,509

Note 14. Non-current assets

Right-of-use assets

	Consolidated	
	2023	2022
	\$	\$
Carrying amount at the beginning of the period	3,529,811	4,078,384
Add: new lease entered into	\$404,217	-
Less:		
- adjustment due to change of management estimation of lease term	(982,041)	-
- depreciation	(458,393)	(548,573)
Carrying amount at the end of the period	2,493,394	3,529,811

Additions to the right-of-use assets during the year were \$404,217.

The consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases plant and equipment under agreements of between three to seven years.

The consolidated entity leases office equipment under agreements of less than two years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2023	2022
	\$	\$
Trade payables	1,681,436	774,954
Sundry accruals and other payables	123,085	788,092
ANMA acquisition payable	-	1,847,338
Total	1,804,521	3,410,384

Note 16. Contract liabilities

	Consolidated	
	2023	2022
	\$	\$
Customer deposits	7,578,507	3,698,395

Note 17. Current liabilities - borrowings

	Consolidated	
	2023	2022
	\$	\$
Current		
Loans from shareholders (interest rate 0%)	1,390,917	1,390,917
Loan from others (interest rate 0%)	3,330	258,679
Loan from others	1,007,890	-
Credit card facility	771,480	133,201
Total	3,173,617	1,782,797

Non-current

Loans from shareholders (interest rate 0%)	-	1,523,555
HP Liability (interest rate between 5% to 6%)	-	79,264
Total	-	1,602,819

Note 18. Lease liabilities

	Consolidated	
	2023	2022
	\$	\$
Current liabilities – lease liabilities	540,666	476,837
Non-current liabilities – lease liabilities	2,223,663	3,555,458
Total	2,764,329	4,032,295

Note 19. Contributed equity

	Consolidated	
	2023	2022
	\$	\$
Share capital		
2,497,951,839 (2022: 2,141,101,576)	90,231,570	85,981,706
Fully paid shares		

<i>Movements in Ordinary Share Capital</i>	2023	2022	2023	2022
	\$	\$	No. of shares	No. of shares
Balance at the beginning of year *	85,981,706	77,859,269	2,141,101,576	1,651,957,672
Share allotment during the year	4,249,864	8,037,437	356,850,263	485,543,904
Share buyback during the year	-	-	-	(1,400,000)
Exercise of unquoted options	-	85,000	-	5,000,000
Balance at the end of year	90,231,570	85,981,706	2,497,951,839	2,141,101,576

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

Note 20. Equity - Accumulated Losses

	Consolidated	
	2023	2022
	\$	\$
Retained losses at the beginning of the financial year	(80,167,772)	(73,195,855)
Losses after income tax expense for the year	(4,476,085)	(6,971,917)
De-recognition of discontinued operations	1,666,549	-
Option expired	1,024,789	-
Retained losses at the end of the financial year	(81,952,519)	(80,167,772)

Note 21. Equity - non-controlling interest

	Consolidated	
	2023	2022
	\$	\$
Issued capital		
Deconsolidated disposed subsidiaries	1,652,778	-
Retained profits	504,047	642,654
The non-controlling interest	2,156,825	642,654