1. Company details

Name of entity:	Alchemia Limited
ABN:	43 071 666 334
Reporting period:	For the year ended 30 June 2019
Previous period:	For the year ended 30 June 2018

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	-	to	-
Loss from ordinary activities after tax attributable to the owners of Alchemia Limited	up	38.5%	to	(516,076)
Loss for the year attributable to the owners of Alchemia Limited	up	38.5%	to	(516,076)

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

Comments
The loss for the consolidated entity after providing for income tax amounted to $516,076 (30 June 2018: $372,647).

Operating results for the year
During the financial year, the operating expenses increased by $146,261 to $527,152 (30 June 2018: $380,891). This was mainly driven by the proposed acquisition of Australian Primary Hemp Pty Ltd.

Statement of Financial Position
Cash balances were decreased by $1,011,115 to $609,175 during the year (30 June 2018: $1,620,290), however the consolidated entity remains in a net asset position. The movement in cash has resulted in an overall decrease in net assets of $516,076 to $1,307,661. It's noteworthy that $600,000 was also lent to the proposed acquisition target.

Corporate update
The company underwent a Board restructure during the year, appointing two new Directors to the Board, following the resignation of Mr Simon Gennari and Mr Darren Book. On 20 June 2019, the company entered into a share sale agreement pursuant to which it has conditionally agreed to acquire 100% of the issued capital of Australian Primary Hemp Pty Ltd (APH). APH engages in hemp cultivation and production services, as well as handling in all areas of the hemp seed selection, farming, processing and distribution, contract packaging, and bulk and retail sale of edible products. APH also produce their own brand of hemp products.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.40	0.56

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

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6. Dividends

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

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

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

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

Not applicable.

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10. Audit qualification or review

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

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

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11. Attachments

Details of attachments (if any):

The Annual Report of Alchemia Limited for the year ended 30 June 2019 is attached.

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12. Signed

Signed ____________________________ Date: 1 August 2019

Cameron Petricevic
Non-Executive Chairman

Alchemia Limited

ABN 43 071 666 334

Annual Report - 30 June 2019

Directors	Mr. Cameron Petricevic (Non-Executive Chairman) Ms. Melanie Leydin (Executive Director) - appointed 5 March 2019 Mr. Lynden Polonsky (Non-Executive Director) - appointed 5 March 2019
Company secretary	Ms. Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 Ph: (03) 9692 7222
Principal place of business	Level 4, 100 Albert Road South Melbourne, VIC 3205 Ph: (03) 9692 7222
Share register	Link Market Services Level 13, Tower 4, 727 Collins Street, Melbourne, VIC 3000 Telephone: (03) 9067 2005 Email: registrars@linkmarketservices.com.au
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5, 727 Collins Street Melbourne VIC 3008
Stock exchange listing	Alchemia Limited shares are listed on the Australian Securities Exchange (ASX code: ACL)
Website	www.alchemia.net.au
Corporate Governance Statement	Details of the company's corporate governance statement are set out on the company's website. This URL on our website is located at: http://www.alchemia.net.au/corporate-governance/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Alchemia Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors

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

Mr. Cameron Petricevic, Non-Executive Chairman
Ms. Melanie Leydin, Executive Director (Appointed 5 March 2019)
Mr. Lynden Polonsky, Non-Executive Director (Appointed 5 March 2019)
Mr. Simon Gennari, Non-Executive Chairman (Resigned 4 March 2019)
Mr. Darren Book, Non-Executive Director (Resigned 4 March 2019)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:
- Review of new opportunities with the aim of providing overall increase to shareholder value.
- Conducting the acquisition and re-compliance listing of Australian Primary Hemp Pty Ltd.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $516,076 (30 June 2018: $372,647).

Operating results for the year

During the financial year, the operating expenses increased by $146,261 to $527,152 (30 June 2018: $380,891). This was mainly driven by the proposed acquisition of Australian Primary Hemp Pty Ltd.

Statement of Financial Position

Cash balances were decreased by $1,011,115 to $609,175 during the year (30 June 2018: $1,620,290), however the consolidated entity remains in a net asset position. The movement in cash has resulted in an overall decrease in net assets of $516,076 to $1,307,661. It's noteworthy that $600,000 was also lent to the proposed acquisition target.

Corporate update

The company underwent a Board restructure during the year, appointing two new Directors to the Board, following the resignation of Mr Simon Gennari and Mr Darren Book. On 20 June 2019, the company entered into a share sale agreement pursuant to which it has conditionally agreed to acquire 100% of the issued capital of Australian Primary Hemp Pty Ltd (APH). APH engages in hemp cultivation and production services, as well as handling in all areas of the hemp seed selection, farming, processing and distribution, contract packaging, and bulk and retail sale of edible products. APH also produce their own brand of hemp products.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Information on directors

Name:	Mr. Cameron Petricevic
Title:	Non-Executive Chairman (Appointed as Non-Executive Chairman on 4 March 2019)
Experience and expertise:	Mr Petricevic has over 15 years' experience within the finance industry primarily across the areas of investments, valuations and corporate finance. He joined Kentgrove Capital in late 2015 as a Partner focusing on investments and equity capital markets transactions. Previously, he spent almost 5 years at Acorn Capital as Portfolio Manager across private and public investments. Most notably prior to that, he spent time at AXA Asia Pacific Holdings as a Corporate Finance (Mergers/Acquisitions) manager. Cameron is also the founder and a Non-Executive Director of CommsChoice Group (ASX: CCG). Mr Petricevic holds a Bachelor of Commerce and a Bachelor of Engineering (Hons) from the University of Melbourne. He is also a Graduate of the Australian Institute of Company Directors (GAICD) and an actuary (AIAA).
Other current directorships:	None
Former directorships (last 3 years):	CommsChoice Group Ltd (ASX: CCG) - resigned 19 November 2018
Interests in shares:	16,069,996 Fully paid ordinary shares
Interests in options:	None

Name:	Ms. Melanie Leydin
Title:	Non-Executive Director (Appointed 5 March 2019)
Qualifications:	B.Bus, CA
Experience and expertise:	Ms Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of LeydinFreyer. The practice provides outsourced company secretarial and accounting services to public and private companies specialising in ASX listed entities. Melanie has over 25 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.
Other current directorships:	Director of E2 Metals Limited (ASX: E2M) and Medibio Limited (ASX:MEB)
Former directorships (last 3 years):	3D Oil (ASX: TDO) - resigned 14 October 2016
Interests in shares:	None
Interests in options:	None

Name:	Mr. Lynden Polonsky
Title:	Non-Executive Director (Appointed 5 March 2019)
Experience and expertise:	Mr Polonsky has over 15 years' experience within the finance industry. Mr Polonsky has provided merger, acquisition, divestment and capital markets advice across a range of industries and sectors including natural resources, infrastructure, renewable energy, healthcare and retail. Mr Polonsky has worked for leading global investment banks and was a founding partner at a boutique corporate advisory firm.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	None
Interests in options:	None

Name:	Mr. Simon Gennari
Title:	Non-Executive Chairman (Resigned 4 March 2019)
Experience and expertise:	Mr Gennari had over 20 years of experience in investment management, corporate finance, strategy and advisory and equity research in Europe and Australia. During the time served on the Board of Alchemia Limited, he was a principal of Avenue Advisory, an independent corporate advisory firm. Previous roles included senior investment positions within a UK family office and global hedge fund. His extensive investment experience included managing portfolios covering a diverse range of sectors and industries globally and within Australia including healthcare, industrials, technology, resources, agriculture, clean technology, retail and financial services. Within corporate finance his experience extended to mergers and acquisitions, capital markets, transaction structuring and strategy for listed and private enterprises including venture capital, debt and equity.

Name:	Mr. Darren Book
Title:	Non-Executive Director (Resigned 4 March 2019)
Experience and expertise:	Mr Book had over 15 years' experience in business and corporate finance. He had knowledge and experience in a variety of finance transactions and industry sectors. Mr Book had extensive experience working with high net worth family groups as well as advising other companies on restructuring, mergers and acquisitions and other strategic initiatives including roles at Ferrier Hodgson and Deloitte. He held a Bachelor of Economics degree from Monash University.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries

Ms Melanie Leydin, Company Secretary

Ms Leydin has 25 years' experience in the accounting profession including 13 years in the Corporate Secretarial professions and is a company secretary and finance officer for a number of entities listed on the Australian Securities Exchange. She is a Chartered Accountant and a Registered Company Auditor. Since February 2000, Ms Leydin has been the principal of LeydinFreyer. The practice provides outsourced company secretarial and accounting services to public and private companies specialising in ASX listed entities.

Mr. Michael Sapountzis, Company Secretary (Resigned on 19 July 2019)

Mr Sapountzis is a governance professional with extensive experience in providing executive support and managing the regulatory requirements for a variety of ASX listed companies. Mr Sapountzis specialises in Corporate Governance, board and secretarial support and shareholder services. He holds degrees in Law and Commerce from Deakin University, a Graduate Diploma of Legal Practice from the College of Law and Graduate Diploma or Applied Corporate Governance from the Governance Institute of Australia.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Eligible to Attend*	Attended
Mr Simon Gennari	2	2
Mr Darren Book	2	2
Mr Cameron Petricevic	6	6
Ms Melanie Leydin	4	4
Mr Lynden Polonsky	4	4

* There are no sub-committees.

Retirement, election and continuation in office of directors
The Board of Directors has power to appoint persons as Directors to fill any vacancies. If no Director would otherwise be required to submit for election or re-election at an annual general meeting, the Director to retire at the annual general meeting is the Director who has been longest in office since last being elected.

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

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

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

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to attract and maintain appropriately qualified and experienced directors and executives.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. Using market remuneration data for similar sized companies, the Board has structured an executive remuneration framework that is appropriate given the nature, stage of development and the activities which the company undertakes and is consistent in aligning shareholder and corporate objectives.

The reward framework for this reporting period consisted of fixed remuneration only.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Fees are established annually for the Chairman and Non-Executive Directors. The total fees paid by the Group to members of the Board, including fees paid for their involvement on board committees, are kept within the total approved by shareholders from time to time.

ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 10 November 2014, where the shareholders approved an aggregate remuneration of $750,000.

Each Non-Executive Director receives a fee for being a Director of the company but no additional fees for sitting on or chairing committees (as applicable). The Non-Executive Directors also receive superannuation contributions at 9.5%, and do not receive any other retirement benefits. Non-Executive Directors' remuneration is delivered as a cash payment and is not linked to the performance of the Company. There was an increase in Directors' fees during this period due to the Board's increased corporate activities.

Executive remuneration
There are currently no executives in the consolidated entity.

Consolidated entity performance and link to remuneration
There are currently no individuals whose remuneration are directly linked to the performance of the consolidated entity.

Voting and comments made at the company's 27 November 2018 Annual General Meeting ('AGM')
The company received 98.39% of 'for' votes in relation to its remuneration report for the year ended 30 June 2018. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Alchemia Limited:
- Mr. Cameron Petricevic, Non-Executive Chairman
- Mr. Lynden Polonsky, Non-Executive Director (Appointed 5 March 2019)
- Ms. Melanie Leydin, Executive Director (Appointed 5 March 2019)
- Mr. Simon Gennari, Non-Executive Chairman (Resigned 4 March 2019)
- Mr. Darren Book, Non-Executive Director (Resigned 4 March 2019)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2019	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Simon Gennari	24,266	-	-	-	-	-	24,266
Darren Book	16,865	-	-	-	-	-	16,865
Cameron Petricevic	35,417	-	-	-	-	-	35,417
Melanie Leydin*	15,000	-	-	-	-	-	15,000
Lynden Polonsky	13,699	-	-	1,301	-	-	15,000
	105,247	-	-	1,301	-	-	106,548

* In addition, the company paid $28,000 for accounting and corporate secretarial services from an entity controlled by Ms Leydin. All transactions were made on normal commercial terms and conditions and at market rates. Refer to Note 15 to the financial statements for more information.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2018	Cash salary and fees $	Non-monetary $	Other $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Simon Gennari	34,375	-	-	-	-	-	34,375
David Lamm	22,917	-	-	-	-	-	22,917
Darren Book	25,000	-	-	-	-	-	25,000
Cameron Petricevic	2,083	-	-	-	-	-	2,083
	84,375	-	-	-	-	-	84,375

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2019	2018	2019	2018	2019	2018
Non-Executive Directors:						
Simon Gennari	100%	100%	-	-	-	-
David Lamm	-	100%	-	-	-	-
Darren Book	100%	100%	-	-	-	-
Cameron Petricevic	100%	100%	-	-	-	-
Melanie Leydin	100%	-	-	-	-	-
Lynden Polonsky	100%	-	-	-	-	-

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2019.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2019 are summarised below:

	2019 $	2018 $	2017 $	2016 $	2015 $
Interest income / Revenue	11,076	8,244	32,561	25,298,976	11,925,954
Net profit/(loss) before tax	(516,076)	(372,647)	(540,291)	22,077,497	(17,827,368)
Net profit/(loss) after tax	(516,076)	(372,647)	(540,291)	21,425,996	(15,815,244)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2019	2018	2017	2016	2015
Share price at financial year start ($)	0.010	0.008	0.010	0.037	0.510
Share price at financial year end ($) *	0.011	0.010	0.008	0.010	0.037
Basic earnings per share (cents per share)	(0.159)	(0.115)	(0.166)	6.600	(4.900)
Diluted earnings per share (cents per share)	(0.159)	(0.115)	(0.166)	6.600	(4.900)

* On 29 March 2019 the company voluntarily suspended share trading, pending the release of an announcement regarding a proposed acquisition.

Additional disclosures relating to key management personnel

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Darren Book*	743,341	-	-	-	743,341
Cameron Petricevic	16,069,996	-	-	-	16,069,996
	16,813,337	-	-	-	16,813,337

* Mr Book resigned on 4 March 2019. The balance at the end of the year represents his interest in shares on his resignation date.

This concludes the remuneration report, which has been audited.

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

Shares issued on the exercise of options
There were no ordinary shares of Alchemia Limited issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified each Director referred to in this report, the Company Secretaries and previous Directors and secretaries (Officers) against all liabilities or loss (other than to the company or a related body corporate) that may arise from their position as officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the company will meet the full amount of such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an Officer of the company.

The company has also indemnified the current and previous Directors of its controlled entities and certain members of the company's senior management for all liabilities and loss (other than to the company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving lack of good faith or indemnification is otherwise not permitted under the Corporations Act.

The company has executed deeds of indemnity in favour of each Director of the company and certain Directors of related bodies corporate of the company as well as with the Company Secretaries.

The company has paid insurance premiums in respect of Directors' and Officers' liability insurance contracts, for Officers of the company and of its controlled entities. The insurance cover is on standard industry terms and provides cover for loss and liability for wrongful acts in relation to the relevant person's role as an officer, except that cover is not provided for loss in relation to Officers gaining and profit or advantage to which they were not legally entitled, or Officers committing any criminal dishonest, fraudulent or malicious act or omission or any knowing or wilful violation of any statute or regulation. Cover is also only provided for fines and penalties in limited circumstances and up to a small financial limit.

The insurance does not provide cover for the independent auditors of the company or of a related body corporate of the company.

In accordance with the usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

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

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

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 13 to the financial statements.

Officers of the company who are former partners of Grant Thornton Australia
There are no officers of the company who are former partners of Grant Thornton Australia

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

Auditor
Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

Cameron Petricevic
Non-Executive Chairman

1 August 2019

Grant Thornton

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Auditor's Independence Declaration

To the Directors of Alchemia Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Alchemia Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner - Audit & Assurance

Melbourne, 1 August 2019

	Note	Consolidated 2019 $	2018 $
Interest income			
Interest income	5	11,076	8,244
Expenses			
Employment expenses		(104,256)	(84,361)
Research and development costs		-	(14,430)
Administration and corporate expenses		(422,896)	(282,100)
Loss before income tax expense		(516,076)	(372,647)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Alchemia Limited		(516,076)	(372,647)
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income/(loss) for the year attributable to the owners of Alchemia Limited		(516,076)	(372,647)
		Cents	**Cents**
Basic earnings/(loss) per share	20	(0.159)	(0.115)
Diluted earnings/(loss) per share	20	(0.159)	(0.115)

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

	Note	Consolidated 2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	7	609,175	1,620,290
Trade and other receivables	8	626,833	8,724
Prepayments		51,043	75,927
Total current assets		1,287,051	1,704,941
Non-current assets			
Prepayments		130,187	178,300
Total non-current assets		130,187	178,300
Total assets		1,417,238	1,883,241
Liabilities			
Current liabilities			
Trade and other payables	9	102,583	59,504
Employee entitlements		6,994	-
Total current liabilities		109,577	59,504
Total liabilities		109,577	59,504
Net assets		1,307,661	1,823,737
Equity			
Issued capital	10	121,294,523	121,294,523
Accumulated losses		(119,986,862)	(119,470,786)
Total equity		1,307,661	1,823,737

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

Consolidated	Issued capital $	Retained profits $	Total equity $
Balance at 1 July 2017	121,294,523	(119,098,139)	2,196,384
Loss after income tax expense for the year	-	(372,647)	(372,647)
Other comprehensive income/(loss) for the year, net of tax	-	-	-
Total comprehensive income/(loss) for the year	-	(372,647)	(372,647)
Balance at 30 June 2018	121,294,523	(119,470,786)	1,823,737

Consolidated	Issued capital $	Retained profits $	Total equity $
Balance at 1 July 2018	121,294,523	(119,470,786)	1,823,737
Loss after income tax expense for the year	-	(516,076)	(516,076)
Other comprehensive income/(loss) for the year, net of tax	-	-	-
Total comprehensive income/(loss) for the year	-	(516,076)	(516,076)
Balance at 30 June 2019	121,294,523	(119,986,862)	1,307,661

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

	Note	Consolidated 2019 $	2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(417,013)	(385,779)
Other income received		-	76,962
Interest received		5,898	8,244
Net cash used in operating activities	19	(411,115)	(300,573)
Cash flows from investing activities			
Loan to Australian Primary Hemp Pty Ltd	8	(600,000)	-
Net cash used in investing activities		(600,000)	-
Cash flows from financing activities			
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(1,011,115)	(300,573)
Cash and cash equivalents at the beginning of the financial year		1,620,290	1,920,863
Cash and cash equivalents at the end of the financial year	7	609,175	1,620,290

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

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

Alchemia Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 1 August 2019.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments
The consolidated entity has adopted AASB 9 from 1 July 2018. Financial assets are 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. Debt investments are 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 consolidated 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'). 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. In applying AASB 9, there were no adjustments required or impact on the financial statements.

Note 2. Significant accounting policies (continued)

Going concern
The consolidated financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

During the financial year, the operating expenses increased by $146,261 to $527,152 (30 June 2018: $380,891). Cash balances were decreased by $1,011,115 to $609,175 during the year (30 June 2018: $1,620,290), however the consolidated entity remains in a net asset position. The movement in cash has resulted in an overall decrease in net assets of $516,076 to $1,307,661.

As announced to the market on 21 June 2019, the Consolidated Entity currently in the process of conducting re-compliance listing procedures and the acquisition of Australian Primary Hemp Pty Ltd (the Transaction). As part of this Transaction, the Consolidated Entity intends on lodging a Prospectus with the Australian Securities and Investments Commission (ASIC) for the purpose of ASX reinstatement requirements and aims to raise $5,700,000 additional share capital through an offer of 570,000,000 shares at an issue price of $0.010 per share (on a pre-consolidation basis). The proposed transaction is subject to shareholder approval and conditions precedent set out in the market announcement dated 21 June 2019.

The Directors expect that the Consolidated Entity will be able to successfully complete the transaction including the additional capital raise. Accordingly, these consolidated financial statements have been prepared on a going concern basis as the Directors are of the opinion that the Consolidated Entity will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated, for a period not less than one year from the date of signing the financial report.

However, should the transaction not proceed, the Directors of the Consolidated Entity are confident they will have sufficient funds and arrangements to meet the minimum expenditure commitments at least for a period not less than one year from the date of signing the financial report. Therefore, the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

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

Management has prepared an assessment of the Group’s ability to meet its debts as and when they fall due. This assessment includes forecasting committed expenditure and research and development incentive refunds. This assessment has demonstrated the Group has sufficient funds to meet the obligations of the Group as and when they fall due. In addition, there are no formal plans to liquidate or wind-up the Group. Accordingly, the Directors have prepared these financial statements on the going concern basis.

For the purposes of preparing financial statements, Alchemia Limited is a for-profit entity.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 16.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alchemia Limited ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Alchemia Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

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

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Note 2. Significant accounting policies (continued)

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Research and development costs
Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.

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

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Note 2. Significant accounting policies (continued)

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 July 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 consolidated entity will adopt this standard from 1 July 2019, however does not expect the impact to be significant as the consolidated entity is not party to any operating lease arrangements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

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

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

Accounting policy for operating segments
An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”.

During the year the company only operated in one segment, which is to review new opportunities with the aim of providing overall increase to shareholder value.

Note 5. Interest income

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

Note 6. Income tax

	Consolidated	
	2019	**2018**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(516,076)	(372,647)
Tax at the statutory tax rate of 27.5%	(141,921)	(102,478)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and Development	-	3,968
	(141,921)	(98,510)
Current year temporary differences not recognised	15,440	(14,983)
Unrecognised tax losses	126,481	113,493
Income tax expense	-	-

	Consolidated	
	2019	**2018**
	$	**$**
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	107,850,287	107,345,589
Potential tax benefit @ 27.5%	29,658,829	29,520,037

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

Note 6. Income tax (continued)

	Consolidated 2019 $	Consolidated 2018 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Employee benefits	1,923	-
Accrued expenses	3,988	6,600
Other (unrealised forex)	(57)	9,015
Blackhole Expenditure	16,186	-
Total deferred tax assets not recognised	22,040	15,615

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Accounting policy for income tax
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when:

- The deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- The taxable temporary difference is associated with investments in subsidiaries and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except when:

The deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

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

Note 7. Current assets - cash and cash equivalents

	Consolidated 2019 $	2018 $
Cash at bank	17,705	64,718
Cash on deposit	591,470	1,555,572
	609,175	1,620,290

Cash on call deposits are made for varying periods of between one day and three months, depending on the immediate cash requirement of the consolidated entity, and earn interest at the respective cash on call deposit rates.

Accounting policy for cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Note 8. Current assets - Trade and other receivables

	Consolidated 2019 $	2018 $
GST receivable	14,350	8,724
Sundry deposits	7,305	-
Loan to Australian Primary Hemp Pty Ltd (Principal and accrued interest)	605,178	-
	626,833	8,724

Note 8. Current assets - Trade and other receivables (continued)

Loan to Australian Primary Hemp Pty Ltd
On 20 June 2019 the company has entered into a share sale agreement with Australian Primary Hemp Pty Ltd (APH), pursuant to which it has conditionally agreed to acquire 100% of the issued capital of APH. As part of the arrangement the company and APH have entered into a secured working capital loan (the Loan) facility agreement, whereby the company advanced A$600,000 to APH, subject to 6% interest. This Loan is secured through:

• a general security deed over APH’s present and acquired property, including property in which APH has, or may in the future have, rights or the power to transfer rights; and
• deed of guarantee and indemnity with APH's CEO and COO, over the loan including any interest, fees and costs.

The Loan and accrued interest must be repaid to Alchemia by APH on the earlier of:
• 12 months from 20 June 2019;
• on termination of the Sale Agreement by either party; or
• such date as agreed to in writing between the company and APH.

However, the Loan will be forgiven and cancelled if the acquisition of APH completed within twelve months from 29 March 2019 (or such date agreed to in writing between the company and APH).

Accounting policy for trade and other receivables
Trade and other receivables are measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment
Allowances for impairment are recognised using an 'expected credit loss' ('ECL') model. 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.

Accounting policies applicable to comparative period (30 June 2018)
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Note 9. Current liabilities - trade and other payables

	Consolidated	
	2019 $	2018 $
Trade payables	3,788	29,921
Other payables and accruals	98,795	29,583
	102,583	59,504

Accounting policy for trade and other payables
Trade and other payables are measured at amortised cost using the effective interest method. These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 10. Equity - issued capital

	Consolidated			
	2019 Shares	2018 Shares	2019 $	2018 $
Ordinary shares - fully paid	324,723,621	324,723,621	121,294,523	121,294,523

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

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

Share buy-back
There is no current on-market share buy-back.

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

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

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 2018 Annual Report.

Accounting policy for issued capital
Ordinary shares are classified as equity.

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

Note 11. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to financial risks such as credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks, ageing analysis for credit risk and maturity analysis in respect of liquidity risk.

Credit risk
The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Note 11. Financial instruments (continued)

Cash and cash equivalents
The cash and cash equivalents are held with an Australian major bank. The Board believes the consolidated entity is not exposed to significant credit risk.

Trade and other receivables
Credit risk on trade and other receivables is limited as the consolidated entity does not have any trading activities. The receivables as at 30 June 2019 relate to GST receivables and Loan.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	3,788	-	-	-	3,788
Other payables	-	98,795	-	-	-	98,795
Total non-derivatives		102,583	-	-	-	102,583

Consolidated - 2018	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	20,642	9,279	-	-	29,921
Other payables	-	29,583	-	-	-	29,583
Total non-derivatives		50,225	9,279	-	-	59,504

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 12. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2019 $	2018 $
Short-term employee benefits	106,548	84,375

Note 13. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the company, and its network firms:

	Consolidated	
	2019 $	2018 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	31,000	31,000

Note 14. Contingent assets and liabilities

There are no other contingent assets or liabilities as at 30 June 2019 (30 June 2018: nil)

Note 15. Related party transactions

Parent entity
Alchemia Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 17.

Key management personnel
Disclosures relating to key management personnel are set out in note 12 and the remuneration report included in the directors' report.

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

	Consolidated	
	2019 $	2018 $
Payment for goods and services:		
Payment for services to an entity associated director	28,000	-

These payments are made to Leydin Freyer Corp Pty Ltd, an entity associated with Ms Leydin during her term in office.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 15. Related party transactions (continued)

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

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

Note 16. Parent entity information

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

Statement of profit or loss and other comprehensive income

	2019 $	2018 $
Loss after income tax	(519,352)	(368,822)
Total comprehensive income/(loss)	(519,352)	(368,822)

Statement of financial position

	2019 $	2018 $
Total current assets	700,330	151,493
Total assets	830,517	329,793
Total current liabilities	1,158,172	138,096
Total liabilities	1,158,172	138,096
Equity		
Issued capital	121,294,523	121,294,523
Accumulated losses	(121,622,178)	(121,102,826)
Total equity/(deficiency)	(327,655)	191,697

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 (30 June 2018: Nil).

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 (30 June 2018: Nil).

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 (30 June 2018: Nil).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 17. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described either in the respective notes or Note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Alchemia Oncology Pty Ltd	Australia	100%	100%
Audeo Discovery Pty Ltd	Australia	-	100%

*Audeo Discovery Pty Ltd was de-registered during the financial year.

Note 18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 19. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2019 $	Consolidated 2018 $
Loss after income tax expense for the year	(516,076)	(372,647)
Adjustments for:		
Accrued interest	(5,178)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(12,932)	76,033
Decrease in prepayments	72,998	22,919
Increase/(decrease) in trade and other payables	50,073	(26,878)
Net cash used in operating activities	(411,115)	(300,573)

Note 20. Earnings per share

	Consolidated 2019 $	Consolidated 2018 $
Loss after income tax attributable to the owners of Alchemia Limited	(516,076)	(372,647)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	324,723,621	324,723,621
Weighted average number of ordinary shares used in calculating diluted earnings per share	324,723,621	324,723,621
	Cents	**Cents**
Basic earnings/(loss) per share	(0.159)	(0.115)
Diluted earnings/(loss) per share	(0.159)	(0.115)

Note 20. Earnings per share (continued)

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated as net profit or loss attributable to members of the parent and divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share
Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors

Cameron Petricevic
Non-Executive Chairman

1 August 2019

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Independent Auditor's Report

To the Members of Alchemia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Alchemia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. **We have determined that there are no key audit matters to communicate in our report.**

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 6 to 9 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Alchemia Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner - Audit & Assurance

Melbourne, 1 August 2019

The shareholder information set out below was applicable as at 26 July 2019

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

	Number of holders of ordinary shares
1 to 1,000	1,454
1,001 to 5,000	1,158
5,001 to 10,000	481
10,001 to 100,000	941
100,001 and over	344
	4,378
Holding less than a marketable parcel	3,770

Equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
SHOMRON PTY LTD	39,426,777	12.14
TTOR PTY LTD	16,069,996	4.95
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,658,835	3.90
MR BILAL AHMAD	8,100,000	2.49
MR RICK WILLIAM LANGDON	7,936,383	2.44
MR ANDREW RICHARD JACKSON BALL	7,112,630	2.19
MRS IFRAH NISHAT	6,313,000	1.94
CALIFORNIA CAPITAL EQUITY LLC	5,854,719	1.80
MR PAUL HOMEWOOD	5,440,000	1.68
MR JASON BRETT RANDALL	5,000,000	1.54
MR BRIAN RIESS	5,000,000	1.54
MR SUFIAN AHMAD	4,100,000	1.26
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,937,897	1.21
MR ARJUNAN SUNDARAMOORTHY	3,400,000	1.05
MAXLEN NOMINEES PTY LTD	3,394,730	1.05
TAMBORINE TREES PTY LTD	3,000,000	0.92
CAMPBELL KITCHENER HUME & ASSOCIATES PTY LTD	2,800,000	0.86
DR ROBERT JULIAN HAFNER	2,573,988	0.79
MR GARRY WEBB & MRS LORRAINE WEBB	2,500,000	0.77
CAROJON PTY LTD	2,500,000	0.77
	147,118,955	45.29

Unquoted equity securities
There are no unquoted equity securities.

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

	Ordinary shares	
	Number held	% of total shares issued
SHOMRON PTY LTD	39,426,777	12.14

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

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

There are no other classes of equity securities.