eve investments

ANNUAL REPORT **2019**

CORPORATE DIRECTORY

DIRECTORS

Mr George Cameron-Dow
Non-Executive Chairman

Mr Gregory (Bill) Fry
Executive Director

Mr Alasdair Cooke
Non-Executive Director

Mr Michael Pixley
Non-Executive Director

COMPANY SECRETARY

Mr Steven Jackson

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Suite 1, 245 Churchill Avenue
Subiaco WA 6008

SHARE REGISTRY

Link Market Services
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE LISTING

EVE Investments Limited shares are listed on the Australian Securities Exchange (ASX: EVE)

AUDITOR

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

SOLICITORS

Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe WA 6011

BANKERS

Bankwest Limited
Bankwest Place 300 Murray Street
Perth WA 6000

WEBSITE

www.eveinvestments.com.au

"Like a seed that grows into a thousand year old Mother Tree, defining its environment and providing a beacon for generations to come...

EVE has established its roots and is focused on becoming that beacon for future generations.

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CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the EVE Investments Board, I am pleased to present the company's Annual Report for the 2019 financial year.

This has been a year of significant progress integrating, onboarding and expanding the newly acquired EVE businesses. The acquisition of 100% of Jenbrook Pty Ltd in August 2018 secured a supply chain of over 2,100 acres of organic Melaleuca tea tree plantation, nearly half of which is old growth plantation in its natural virgin state, providing a distinct marketing narrative.

Another key milestone during the year was EVE acquiring the remaining 50% of Meluka Health, securing full ownership of the Meluka group of companies, providing EVE the ability to control its strategic direction. Meluka Health has an expanding range of own branded organic consumer and medicinal honey products as well as a development portfolio of other well-advanced nutraceutical products.

We also gained a 49% holding in a growing US based natural extracts and oils distribution business, Naturally Australian Products Inc, providing access to an established customer base to Meluka Health's product offerings. These acquisitions will see EVE transition into a genuine revenue generating and growing health and wellness company.

In the coming year, EVE will continue managing and supporting the newly acquired businesses with a strong focus on expansion of its product ranges within the Meluka group of companies, including investing in accompanying marketing and sales programs to further establish brand recognition in Australia and the global natural health market. We will also continue to actively seek out new strategic partnerships and opportunities that add value to our existing businesses including our investment in Omni Innovation.

I would like to thank my fellow directors for their continual commitment during the year. In particular, Bill Fry for his executive leadership and the senior management team and staff for their on-going efforts to develop the EVE businesses.

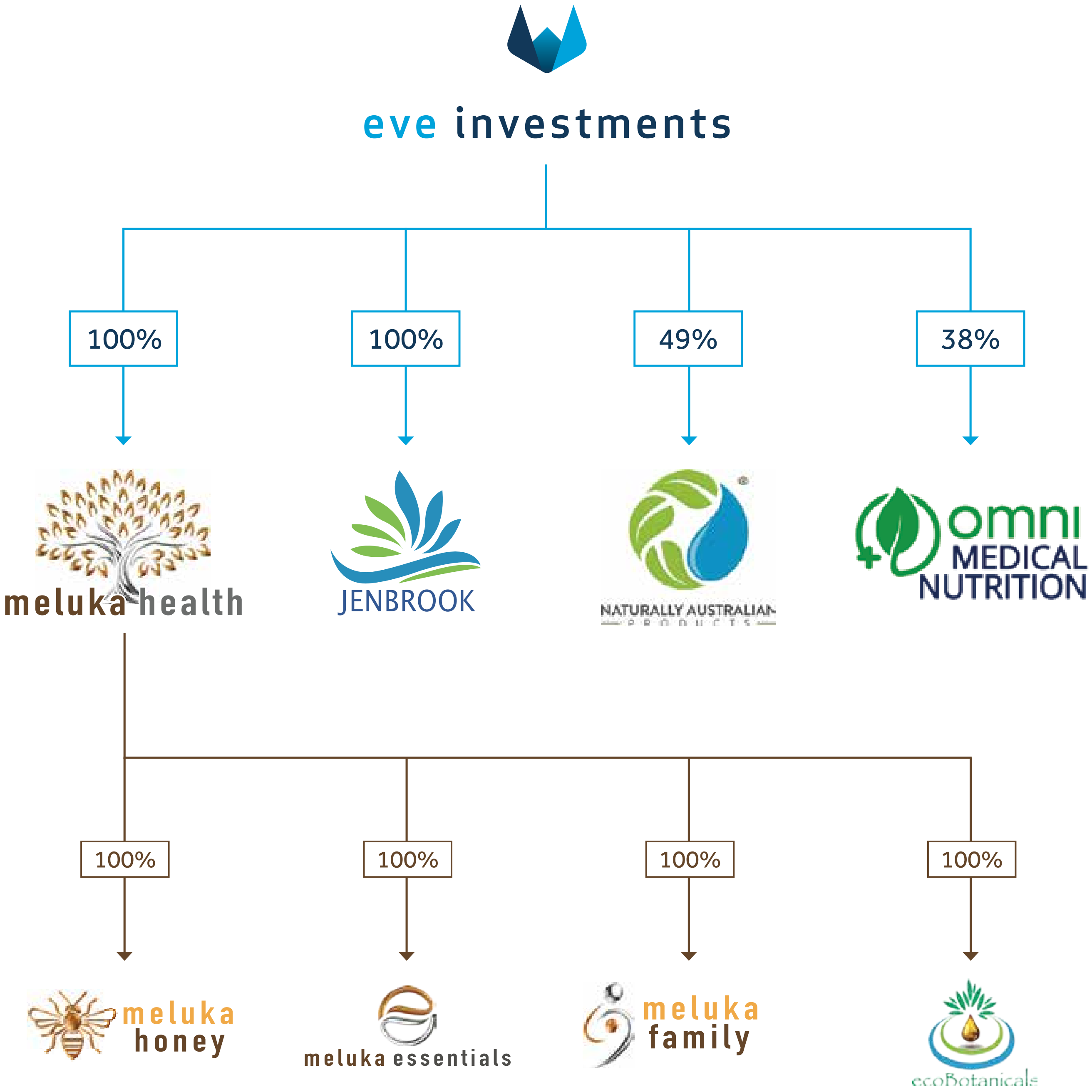
On behalf of the company, I would also like to thank you, our shareholders for your continued support.

Yours sincerely

George Cameron-Dow
Non-executive Chairman

OPERATIONS REPORT

Our Company Structure



"The art of wild-crafting Mother Tea Trees means interacting with nature in an unspoiled way. Stimulating the biological defence system to ensure the environment remains just as nature intended.

Ben Rohr, EVE Investments

OPERATIONS REPORT
Continued

meluka health

Meluka Health is the corporate entity that heads up the Meluka Health Group of companies, with a core focus on organic, natural and ethical products that are sustainable and traceable.

On 25 February 2019 EVE Investments announced that it had acquired the remaining 50% of Meluka Health, resulting in it becoming a wholly owned subsidiary. This was an important step for EVE as it provides the ability for EVE to control the strategic direction of the Meluka group of companies. It also provides full control over current and future revenue streams generated by the individual subsidiary companies. Expansion of the Meluka product range and accompanying marketing and sales programs position the company to grow its revenue base.

"Distribution and product rollout will be the focus for the year ahead as Meluka Health continues in its growth phase.

meluka honey

During the year, Meluka Honey continued distribution of its core honey range of certified organic products, produced by bees harvesting from Jendale's old growth plantation, in the Australian market, as well as commencing distribution into the US market (Figure 1). Negotiations also commenced with distribution partners in other key markets such as Japan, China, Indonesia and the Middle East.

Figure 1: Meluka Honey's core product range

Meluka Honey is focussed on growing its offering of Australian products, leveraging the uniqueness of its old growth Melaleuca Tea Tree plantation. It is intending to expand its honey range via the incorporation of EVE's organic Melaleuca tea tree extract produced at its Jenbrook Farms. This extract provides additional health and wellness attributes that complement its existing honey range.

“ Bee health and sustainability are at the forefront of the Meluka Honey operations.

EVE’s focus on expanding its product range saw extensive work undertaken in the development of a variety of products, including a bio-fermented range of honey drinks, that are in the final stages of product trials. The bio-fermented honey drinks range incorporates an Australian produced probiotic combination that is targeted at improving gut health and general well-being.

The rising popularity of natural, organic food is also driving the market for fermented drinks. Although fermentation has been popular for centuries, consumers are starting to take notice of its myriad of health benefits including being rich in probiotic bacteria, which when introduced into the digestive system, helps balance gut flora, or the ‘good’ and ‘bad’ bacteria in the gut, essential for good health and promoting healthy digestion.

Expanding at 5.2% CAGR between 2017 to 2025, the global fermented non-dairy and non-alcoholic beverages market is forecast to rise to US$2,483.8 million by 2025 end.[1]

The bio-fermented drinks will be manufactured by a leading Australian probiotics company on behalf of Meluka Honey to cater for increasing consumer interest and acceptance of fermented drinks as a healthy alternative to high sugar drink options, as well as the rising awareness of the importance of gut health for overall wellbeing. The drinks range is planned for a marketing launch in FY2020 and will incorporate four different fermented honey drink flavours containing beneficial probiotics, to support gut and intestinal health.

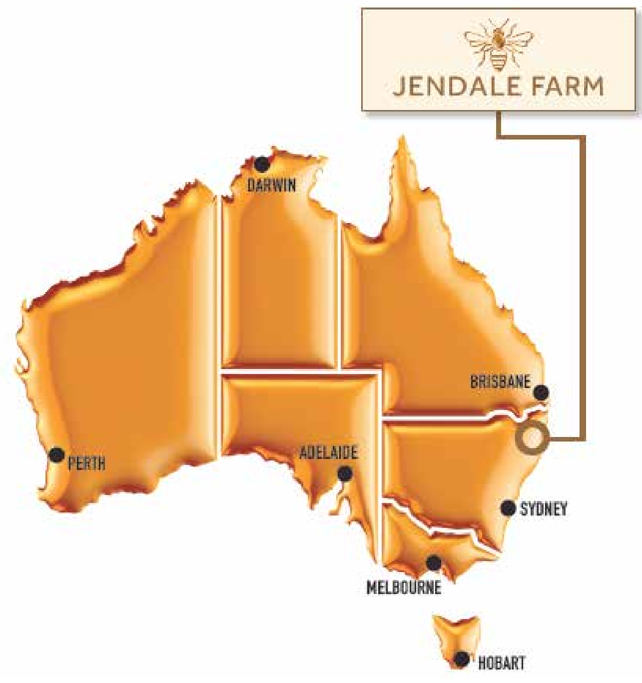
At the core of Meluka Honey’s operations is a commitment to sustainability with bee health a key component. The company has worked closely with Dr David Rudd of Australia’s Southern Cross University, over the past 12 months to assess the effect of adding tea tree extract into the bee’s diet. This program was devised after it was noted that bees’ foraging on tea tree appeared to be very healthy and active. The positive results of research findings by Dr David Rudd have shown that bees foraging on our Melaleuca tea trees as well as a supplementary offering of Melaleuca tea tree extract, appears to act as a probiotic for them, increasing the proportion of beneficial bacteria responsible for their gut immune function. This is another exciting step toward our mission to improve bee health and to uphold sustainable beekeeping practices in Australia. The program has been designed to test the overall impact of tea tree extract on bee health and whether a general purpose bee health product can be produced in the future.

“The production of Meluka tea tree extract also has a mutual benefit to bees, where supplementation with the extract acts as a probiotic for improved bee gut health. Better gut health, immune function and the ability to allow diverse foraging while still producing a bioactive honey makes Meluka honey mutually beneficial to honeybees and consumers – an organic, pure and ethical product.”

Dr David Rudd, Southern Cross University

FY2019 also saw the commencement of an exciting collaboration between EVE and THC Global Group Limited (THC Global), who are developing a diversified global cannabis business, focusing on two core business units, development of medicinal cannabis and manufacturing/distribution of hydroponics equipment, materials and nutrients.

THC Global has entered into agreement to lease 60,000m^2 (15 acres) of organic farmland from EVE for cultivating medicinal cannabis, with relevant licence applications expected to be received this year. The lease agreement also provides EVE with access to THC Global’s medicinal cannabis for product development by Meluka Honey of novel cannabis blended products incorporating honey and tea tree extract from EVE’s Jenbrook Farms.



[1] https://www.transparencymarketresearch.com/pressrelease/fermented-non-dairy-non-alcoholic-beverages-market.htm

Jenbrook

Jenbrook is EVE's established, certified organic tea tree oil producing company and was aquired by EVE on 30 August 2018. Jenbrook owns 100% of Jendale, a 1,147 acre old growth tea tree plantation, along with 100% of Robyndale, a 1,000 acre plantation used in the production of organic tea tree oil for distribution throughout Australia, the U.S. and Europe. Through its two tea tree plantations, Jenbrook harvests and sells tea tree oils, extracts and products to Naturally Australian Products LLC (NAP), as well as third party customers.

EVE continued to focus on its plans for expanding production capacity within Jenbrook to meet the strong demand for tea tree oil production in the Australian and overseas markets.

Meluka Essentials

Meluka Essentials is seeking to launch its own brand of essential oils in the Australian and U.S. essential oils and extracts market. This newly formed Australian essential oils and extracts company will be a direct to consumer range of products, with its initial range on track for an expected launch to the market in 2020. The company has identified its key products range and sources of supply. The next phase of development is to complete the brand design and finalise the marketing strategy.

Meluka Family

The Meluka Family range will be a premium, versatile offering of natural and organic family products utilising Australian botanicals, as well as unique Australian native natural essential oils and extracts. In response to increased consumer awareness around the use of, natural herbal medicine as an alternative offering, the company has identified several products for its initial range. The Meluka Family range of medicinal honey creams and lotions are planned for release in 2020.

EcoBotanicals

EcoBotanicals, a TGA licensed and HACCP accredited contract manufacturer specialising in manufacturing organic therapeutic products from its Alstonville manufacturing facility, has expanded its capability to manufacture honey and bee products on behalf of Meluka Honey. Its internal skillset continues to support the growth of the Meluka brand as it transitions into a support division for Meluka Health. Ultimately it is envisaged that EcoBotanicals will transition into a pure research facility for the development and testing of future Meluka Health products.

Omni Innovation

Progress continued during the year with Eagle Health's application for registration of the Hutang-1 product formula with the National Medical Products Administration (NMPA) (formerly China Food & Drug Administration) as a Food for Special Medical Purposes (FSMP). The process is on track for completion by the December 2019 quarter. In the meantime, product sales continue to be restricted until registration is granted.

The Eagle Health license for the Chinese market reverted to a non-exclusive license due to exclusivity requirements not being met, however NMPA registration is still expected to be completed by December 2019 and would provide Omni Innovation with proceeds of $500,000 and allow recommencement of sales royalties. Omni Innovation is poised to explore potential additional partners for the Chinese market in the coming year as well as explore the opportunity to reposition its technology for additional applications in other offshore markets.

NAP

Naturally Australian Products LLC (NAP) is a U.S. registered and based marketing and wholesale distribution business selling essential oils, carrier oils and hydrosols to an established and growing North American customer base of retailers and manufacturers.

A change to NAP's organisational structure has seen the business position itself to expand its product offering and sales network in the coming year, and relocation into a larger facility will allow it to meet faster delivery timelines and fulfil more customers orders.

eve investments

ABN 89 106 523 611

FINANCIAL REPORT

30 JUNE 2019

The Directors of the Group present their report together with the financial report of EVE Investments Limited ("the Group" or "EVE") for the financial year ended 30 June 2019.

1. Directors and Company Secretary

The Directors and Company Secretary in office at any time during or since the end of the financial year are:

Mr George Cameron-Dow – Non-Executive Chairman
Mr Gregory (Bill) Fry – Executive Director
Mr Alasdair Cooke – Non-Executive Director
Mr Michael Pixley – Non-Executive Director
Mr Steven Jackson – Company Secretary

Directors' Meetings

	Board of Directors		Remuneration & Nomination Committee		Audit & Risk Committee	
	Present	Held	Present	Held	Present	Held
George Cameron-Dow	4	4	1	1	3	3
Gregory Fry	4	4	-	-	-	-
Alasdair Cooke	4	4	1	1	3	3
Michael Pixley	4	4	1	1	3	3

Biographies

Mr George Cameron-Dow | Non-Executive Chairman

Mr Cameron-Dow has extensive board experience spanning a range of industries including the pharmaceutical, biosciences and health care sectors. In addition to his extensive experience with large corporations, he has also served as chair of a number of ASX listed companies, retirement funds and a private health insurance fund. Mr Cameron-Dow has a Master of Management (cum laude) from Wits University and in 1998 attended the Stanford Executive Program at Stanford University, USA. He is a fellow of the Australian Institute of Management, and fellow of the Australian Institute of Company Directors. He is a founding director of investment fund manager Fleming Funds Management (previously St George Capital Pty Ltd) and investment advisory firm Fleming Capital Pty Ltd.

Other current directorships
CV Check Limited

Special responsibilities
Chairman
Chairman of audit & risk committee
Chairman of remuneration & nomination committee

Former directorships in the last three years
Bioxyne Limited
Windward Resources Limited

Interests in shares and options
5,999,980 ordinary shares
3,000,000 performance rights

Mr Gregory Fry | Executive Director

Mr Fry has more than 20 years corporate experience in the mining and resources industry, specialising in accounting, management, business development and general corporate activities. He has vast experience in project evaluation and development, project funding, management, finance and operations. Over the past 15 years, Mr Fry has been a Director of several private and public companies with activities ranging from funds management, minerals exploration, mining and quarrying.

Other current directorships
African Energy Resources Limited
Anova Metals Limited

Special responsibilities
-

Former directorships in the last three years
n/a

Interests in shares and options
60,569,290 ordinary shares
26,000,000 performance rights

Mr Alasdair Cooke BSc (Hons) | Non-Executive Director

Mr Cooke is a qualified geologist and has been involved throughout his career in mineral exploration and corporate development, including eight years spent with BHP Minerals Business Development Company and over fifteen years managing public resource companies.

Mr Cooke is a founding partner of the Mitchell River Company, which over the past fifteen years has established a number of successful mining projects and resources companies, developing greenfield mines in Australia, Africa and South America.

Other current directorships
African Energy Resources Limited
Anova Metals Limited
Caravel Minerals Limited

Special responsibilities
Member of the remuneration & nomination committee
Member of the audit & risk committee

Former directorships in the last three years
n/a

Interests in shares and options
182,374,601 ordinary shares
3,000,000 performance rights

Mr Michael Pixley | Non-Executive Director

Mr Pixley had worked as a merchant banker specialising in strategic corporate development, joint ventures and acquisitions.

He has 30 years' experience in the Asian business sector and has extensive networks and relationships with key personnel in government, corporate and private sectors in the Asia Pacific region.

Other current directorships
Eneco Refresh Limited
Story-I Limited
Pan Asia Corporation Limited

Special responsibilities
Member of the remuneration & nomination committee
Member of the audit & risk committee

Former directorships in the last three years
n/a

Interests in shares and options
3,499,980 ordinary shares
1,500,000 performance rights

Mr Steven Jackson BEc CPA | Company Secretary

Mr Jackson is a member of CPA Australia who graduated from the University of Western Australia in 2008 with a Bachelor of Economics having majored in International Business Economics and Money and Banking. Mr Jackson has been with EVE Investments since 2008 and was appointed to the role of Company Secretary in May 2012.

2. Remuneration Report – Audited

This Remuneration Report outlines the remuneration arrangements which were in place during the year, and remain in place as at the date of this report, for the key management personnel of EVE Investments Limited. During the period the Company's Directors were the only key management personnel of EVE Investments Limited.

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

Principles of compensation

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;

- transparency; and
- capital management.

The Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the Company, the balance of this mix shifts to a higher proportion of ''at risk'' rewards. Currently no remuneration consultants are used by the Company in formulating remuneration policies.

Role of the Remuneration & Nomination Committee

The Remuneration & Nomination Committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- Non-Executive Director Fees;
- Remuneration levels of Executive Directors and other key management personnel;
- The over-arching executive remuneration framework and operation of the incentive plan; and
- Key performance indicators and performance hurdles for the executive team.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of Non-Executive Directors based on comparative roles in the external market.

On appointment to the Board, all Non-Executive Directors enter into an agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director. The current base remuneration for Non-Executive Directors is $35,000 per annum, effective since 1 April 2016.

Executive pay

An executive's total remuneration comprises base pay and benefits, including superannuation, and long-term incentive through participation in the EVE Employee Incentive Plan.

Base pay

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion. There is no guaranteed base pay increases included in any executives' contracts.

Long-term incentives

Long-term incentives are provided to certain Non-Executive Directors and executives under the EVE Employee Incentive Plans.

Share trading policy

The trading of shares issued to participants under the Company's employee option plan is subject to, and conditional upon, compliance with the Company's employee share trading policy. Executives are prohibited from entering into and hedging arrangements over unvested options under the Company's employee option plan. The Company would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potential dismissal.

Service contracts

On appointment to the Board, all Non-Executive Directors enter into an agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

The Company currently has an Executive Service Agreement in place with Gregory (Bill) Fry:

Base salary: $200,000[1]

Term: On-going

Termination benefit: 3 months base salary[2]

Time commitment: 2.5 days per week, with additional time charged at $1,200 per day

[1] Base salary quoted is inclusive of superannuation for the year ended 30 June 2019 and is reviewed annually by the Remuneration & Nomination Committee.

[2] Termination benefits are payable on early termination by the company, other than for gross misconduct.

Voting and comments made at the Company's 2018 Annual General Meeting
The Company received 94.34% of "yes" votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Director and Key Management Personnel remuneration

Details of the remuneration of the Directors and key management personnel of the Company (as defined in AASB 124 Related Party Disclosures) are set out in the following tables.

There are no key management personnel of the Company besides the Directors of EVE Investments Limited for 30 June 2019.

Details of remuneration

The following tables set out remuneration paid to Directors and key management personnel of the Company during the year.

Key management personnel of the Company

2019	Cash salary $	Superannuation $	Share based payments $	Total $	% Performance based
George Cameron-Dow	54,795	5,205	3,000	63,000	5%
Michael Pixley	35,000	-	3,000	38,000	8%
Alasdair Cooke	35,000	-	3,000	38,000	8%
Gregory Fry	232,192	22,058	48,015	302,265	6%
Total	356,987	27,263	57,015	441,265	6%

2018	$	$	$	$	%
George Cameron-Dow[1]	26,415	2,510	41,013	69,938	-9%
Michael Pixley[2]	8,750	-	47,250	56,000	-
Alasdair Cooke[3]	27,500	-	76,924	104,424	-6%
Gregory Fry	92,877	8,823	197,802	299,502	-8%
Total	155,542	11,333	362,989	529,864	-7%

[1,] George Cameron appointed Non-Executive Chairman effective 18 January 2018.

[2] Michael Pixley appointed as a Non-Executive Director effective 16 October 2017.

[3] Alasdair Cooke transitioned from an Executive Chairman to a Non-Executive Director effective 18 January 2018.

Directors may participate in the Company's Employee Incentive Plans under which they will be offered equity incentives as performance based remuneration. During the 2018 financial year there was a negative percentage of performance based remuneration due to the reversal of performance based share based expenses, see below section on performance rights for hurdle information.

For key management personnel packages; the total remuneration shown in the table above is fixed, the lack of performance based remuneration is due to the size of the Company.

Share-based compensation

Performance rights in EVE Investments Limited are granted under the EVE Investments Employee Incentive Plan which was approved by shareholders at the 2016 Annual General Meeting. Employee Incentive Plan is designed to provide long-term incentives for Directors and key management personnel to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Rights are granted under the plan for no consideration. Rights granted under the plan carry no dividend or voting rights. When exercisable, each right is convertible into one ordinary share.

On 22 November 2018, the Company issued performance rights to each director as approved by the Company's shareholders at the 2018 Annual General Meeting. The number of performance rights and the fair value on the grant date is detailed below:

Director	Issue date	Expiry date	Expected vesting date	Tranche	Fair value per right	Number of rights issued	Value at grant date
George Cameron-Dow	22-Nov-18	21-Nov-23	31-Dec-20	K	0.007	1,500,000	10,500
Alasdair Cooke	22-Nov-18	21-Nov-23	31-Dec-20	K	0.007	1,500,000	10,500
Gregory Fry	22-Nov-18	21-Nov-23	30-Jun-21	I	0.007	4,800,000	33,600
Gregory Fry	22-Nov-18	21-Nov-23	30-Jun-22	J	0.007	3,600,000	25,200
Gregory Fry	22-Nov-18	21-Nov-23	31-Dec-20	K	0.007	3,600,000	25,200
Gregory Fry	22-Nov-18	21-Nov-23	30-Sep-19	G	0.007	4,000,000	28,000
Gregory Fry	22-Nov-18	21-Nov-23	30-Sep-20	H	0.007	4,000,000	28,000
Michael Pixley	22-Nov-18	21-Nov-23	31-Dec-20	K	0.007	1,500,000	10,500
Total						24,500,000	171,500

The terms and conditions of each grant of performance rights affecting remuneration in the current or future period are as follows:

Director	Issue date	Expiry date	Tranche	Number of rights issued	Number of unvested rights
George Cameron-Dow	31-May-16	31-May-21	A	1,500,000	1,500,000
Alasdair Cooke	31-May-16	31-May-21	A	1,500,000	1,500,000
Gregory Fry	31-May-16	31-May-21	A	6,000,000	6,000,000
Gregory Fry	22-Nov-18	22-Nov-23	G	4,000,000	4,000,000
Gregory Fry	22-Nov-18	22-Nov-23	H	4,000,000	4,000,000
Gregory Fry	22-Nov-18	22-Nov-23	I	4,800,000	4,800,000
Gregory Fry	22-Nov-18	22-Nov-23	J	3,600,000	3,600,000
Gregory Fry	22-Nov-18	22-Nov-23	K	3,600,000	3,600,000
George Cameron-Dow	22-Nov-18	22-Nov-23	K	1,500,000	1,500,000
Alasdair Cooke	22-Nov-18	22-Nov-23	K	1,500,000	1,500,000
Michael Pixley	22-Nov-18	22-Nov-23	K	1,500,000	1,500,000
Total				33,500,000	33,500,000

Tranche	Hurdle
A	Omni Innovation completing an IPO or RTO on the ASX or an alternative Board approved exchange or the Trade Sale of Omni Innovation's main business
G	Continuous engagement as an employee until 30 September 2019 (non-market based condition).
H	Continuous service until 30 September 2020
I	The EVE Group Entities have achieved at least $10,000,000 of gross revenue in a financial year (non-market based condition).
J	Achievement of EBITDA of $2 Million per annum in combined EVE group entities
K	The EVE Group Entities have achieved at least $2,000,000 EBITDA in a financial year (non-market based condition).

The following performance rights are still outstanding at the end of the financial year:

Director	Number granted	Year granted	Tranche	Fair value per right	Value at grant date	Expiry date	Expected vesting year	Maximum value yet to vest
George Cameron-Dow	1,500,000	2016	A	0.008	12,000	31-May-21	n/a	n/a
Alasdair Cooke	1,500,000	2016	A	0.008	12,000	31-May-21	n/a	n/a
Gregory Fry	6,000,000	2016	A	0.008	48,000	31-May-21	n/a	n/a
Gregory Fry	4,000,000	2019	G	0.007	28,000	22-Nov-23	2020	8,257
Gregory Fry	4,000,000	2019	H	0.007	28,000	22-Nov-23	2021	18,915
Gregory Fry	4,800,000	2019	I	0.007	33,600	22-Nov-23	2021	26,572
Gregory Fry	3,600,000	2019	J	0.007	25,200	22-Nov-23	2022	17,521
Gregory Fry	3,600,000	2019	K	0.007	25,200	22-Nov-23	2021	18,000
George Cameron-Dow	1,500,000	2019	K	0.007	10,500	22-Nov-23	2021	7,500
Alasdair Cooke	1,500,000	2019	K	0.007	10,500	22-Nov-23	2021	7,500
Michael Pixley	1,500,000	2019	K	0.007	10,500	22-Nov-23	2021	7,500

Equity instruments held by key management personnel
Share holdings

	Balance at 1/07/2018	Purchases / Sales	Balance at 30/06/2019
George Cameron-Dow	5,999,980	-	5,999,980
Michael Pixley	3,499,980	-	3,499,980
Alasdair Cooke	182,374,601	-	182,374,601
Gregory Fry	58,569,290	2,000,000	60,569,290
	250,443,851	2,000,000	252,443,851

Performance rights holdings

	Balance at 1/07/2018	Issued	Balance at 30/06/2019	Vested and exercisable	Unvested
George Cameron-Dow	1,500,000	1,500,000	3,000,000	-	3,000,000
Michael Pixley	-	1,500,000	1,500,000	-	1,500,000
Alasdair Cooke	1,500,000	1,500,000	3,000,000	-	3,000,000
Gregory Fry	6,000,000	20,000,000	26,000,000	-	26,000,000
	9,000,000	24,500,000	33,500,000	-	33,500,000

Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2019 (2018: nil).

Other transactions with related parties

The terms and conditions of the transactions with Directors, key executives and associates and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

	Charges from:		Charges to:	
	2019 $	2018 $	2019 $	2018 $
Mitchell River Group Pty Ltd	217,620	185,715	-	259
Provision of a serviced office and admin staff				
Alasdair Cooke, Gregory Fry				
African Energy Resources Ltd	-	-	-	205
Recharge of overheads and wages				
Alasdair Cooke, Gregory Fry				
Anova Metals Ltd	63	196	-	473
Recharge of overheads and wages				
Alasdair Cooke, Gregory Fry				
Omniblend Innovation Pty Ltd	-	5,554	82,229	119,909
Recharge of overheads and wages				
Gregory Fry, George Cameron-Dow				

Assets and liabilities arising from the above transactions

	2019 $	2018 $
Trade debtors	-	4,390
Trade creditors	69,255	15,851

This is the end of the audited remuneration report.

3. Principal Activities

The principal activity of the Group during the financial year was the acquisition of the agricultural operations located in northern NSW and the Meluka Honey business. Subsequent to acquisition the Group has been focussed on the performance of these operations.

4. Operating Results

The operating loss after income tax of the Group attributable to equity holders of the Group for the financial year ended 30 June 2019 amounted to $2,638,506 (2018: $1,879,997).

5. Loss per Share

The basic loss per share for the Group for the year was 0.11 cents (2018: 0.10 cents) per share.

6. Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

7. Events Since the End of the Financial Year

On 12 July 2019, the Company announced a two tranche placement to raise $750,000 before costs through a share issue at $0.005, placement participants will also receive a 1 for 1 attaching option exercisable at $0.006 and expiring 31 December 2021, the Company advised on 9 August that this had been increased to $850,000. The first $563,500, being the issue of 112,700,000 shares and 112,700,000 options was completed on 19 July 2019. The remainder of the placement, including conversion of accrued director fees, were approved at a General Meeting of the Company held on 12 September 2019.

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

8. Likely Developments and Expected Results of Operations

The Group will continue to pursue activities related to the current operations of the Group. Further information about likely developments in the operations of the Group is included in the Review of Operations.

9. Significant Changes in State of Affairs
In the opinion of the Directors, other than stated under Review of Operations, and Events Subsequent to Reporting Date, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review and subsequent to the financial year end.

10. Corporate Governance Statement
The Company's Corporate Governance Statement for the year ended 30 June 2019 can be accessed from the Company's website at www.eveinvestments.com.au/corporate-governance.

11. Environmental Regulations
The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However the Board believes there are adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply.

The Group is not subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

12. Share Options/Rights
As at the date of this report, the following unlisted options or performance rights were on issue:

No. of instruments	Type of instrument	Strike price	Expiry date
20,000,000	Unlisted options	0.025	31-Dec-19
112,700,000	Unlisted options	0.006	31-Dec-21
67,750,000	Performance rights	-	Various
200,450,000			

13. Non-Audit Services
The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the Company are important.

During the year, there were no non-audit services provided by BDO Audit (WA) Pty Ltd.

14. Lead Auditors Independence Declaration under Section 307c of the Corporations Act 2001
The lead auditor's independence declaration is set out on page 51 and forms part of the Directors' Report for the year ended 30 June 2019.

15. Indemnifying Officers
Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors' and officers' liability, legal expenses' and insurance contracts, for current Directors and Executives of the Company. The premiums were paid in respect of the following officers of the Company: George Cameron-Dow, Gregory Fry, Alasdair Cooke, Michael Pixley and Steven Jackson.

On behalf of the Board of

EVE Investments Limited

Dated at Perth this 16 September 2019.

Signed in accordance with a resolution of the Directors.

Gregory William Fry

Executive Director

Directors' Declaration
30 June 2019

The Directors of the Company declare that:

1) The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001; and

   a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company.

2) In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

3) In the Directors' opinion, the financial statements and notes are prepared in compliance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board, as described in Note 2(a).

4) The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

Gregory William Fry

Executive Director

Perth

16 September 2019

Consolidated Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30 June 2019

	Note	30-Jun-19 Consolidated $	30-Jun-18 Company $
Revenue	10	1,597,873	-
Costs of goods sold		(1,635,342)	-
Gross loss before fair value adjustments		(37,469)	-
Change in fair value of biological assets	11	314,831	-
Gross profit		277,362	-
Other income		59,857	18,904
Professional fees	12	(185,426)	(504,012)
Employee benefit expense	12	(968,994)	(501,616)
Share-based payments	12	(214,575)	(438,378)
Other expenses	12	(737,055)	(200,177)
Fair value gain on derecognition of associate	3	52,594	-
Share of net loss of associates accounted for using the equity method	4	(922,113)	(254,718)
Net financial expense		(156)	-
Loss before income tax		(2,638,506)	(1,879,997)
Income tax benefit / (expense)	13	-	-
Loss after income tax for the year		(2,638,506)	(1,879,997)
Total comprehensive loss attributable to:			
Equity holders of the Company		(2,638,506)	(1,879,997)
Total comprehensive loss for the year		(2,638,506)	(1,879,997)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share (cents per share)	14	(0.11)	(0.10)

The consolidated statement of profit or loss & other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2019

	Note	30-Jun-19 Consolidated $	30-Jun-18 Company $
Assets			
Current assets			
Cash and cash equivalents	*15*	340,260	3,912,370
Trade and other receivables	*16*	449,141	29,902
Deposits	*17*	-	135,000
Inventories	*18*	105,591	-
Other financial assets	*17*	-	200,000
Total current assets		894,992	4,277,272
Non-current assets			
Property, plant and equipment	*6*	4,609,288	-
Goodwill	*7*	825,059	-
Intangibles	*8*	137,463	-
Biological assets	*11*	26,826	-
Equity accounted investments	*4*	1,827,998	3,179,984
Loans to associates	*4*	239,833	-
Deferred tax assets	*13*	217,491	-
Total non-current assets		7,883,958	3,179,984
Total assets		8,778,950	7,457,256
Liabilities			
Current Liabilities			
Trade and other payables	*19*	563,733	76,798
Borrowings	*5*	577,208	-
Deferred consideration	*3*	245,000	-
Total current liabilities		1,385,941	76,798
Non-current Liabilities			
Borrowings	*5*	722,653	-
Deferred tax liability	*13*	821,507	-
Total non-current liabilities		1,544,160	-
Total liabilities		2,930,101	76,798
Net assets		5,848,849	7,380,458
Equity			
Issued capital	*20*	23,602,354	22,710,032
Reserves	*21*	273,182	176,107
Accumulated losses		(18,026,687)	(15,505,681)
Total equity attributable to shareholders of the Company		5,848,849	7,380,458

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the year ended 30 June 2019

	Issued capital	Accumulated losses	Reserves	Total equity
	$	$	$	$
Total equity at 1 July 2018	22,710,032	(15,505,681)	176,107	7,380,458
Loss for the year	-	(2,638,506)	-	(2,638,506)
Total comprehensive income / (loss) for the year	-	(2,638,506)	-	(2,638,506)
Transactions with owners in their capacity as owners:				
Share issue net of issue costs	892,322	-	-	892,322
Share based payments	-	-	214,575	214,575
Transfer of share based payments on exercise/expiry	-	117,500	(117,500)	-
	892,322	117,500	97,075	1,106,897
Total equity at 30 June 2019	**23,602,354**	**(18,026,687)**	**273,182**	**5,848,849**
Total equity at 1 July 2017	16,382,059	(13,710,240)	105,820	2,777,639
Loss for the year	-	(1,879,997)	-	(1,879,997)
Total comprehensive income / (loss) for the year	-	(1,879,997)	-	(1,879,997)
Transactions with owners in their capacity as owners:				
Share issue net of issue costs	6,327,973	-	-	6,327,973
Share based payments	-	-	154,843	154,843
Transfer of share based payments on exercise/expiry	-	84,556	(84,556)	-
	6,327,973	84,556	70,287	6,482,816
Total equity at 30 June 2018	**22,710,032**	**(15,505,681)**	**176,107**	**7,380,458**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 30 June 2019

	Note	30-Jun-19 Consolidated $	30-Jun-18 Company $
Cash flows from operating activities			
Receipts from customers		1,242,696	-
Cash paid to suppliers and employees		(2,325,752)	(825,181)
Interest received		10,554	16,421
Interest paid		(47,140)	-
Other income received		48,506	-
Net cash used in operating activities	26	(1,071,136)	(808,760)
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	(63,418)	-
Acquisition of businesses	3	(3,001,040)	(135,000)
Investment in associates		-	(640,200)
Loans to associates		(150,613)	-
Loan to a non-related party		-	(200,000)
Cash acquired on acquisition of business	3	37,697	-
Net cash used by investing activities		(3,177,374)	(975,200)
Cash flows from financing activities			
Proceeds from the issue of share capital	20	350,000	5,842,165
Payment for share issuance costs	20	(28,824)	(406,127)
Proceeds from borrowings		355,224	-
Net cash provided by financing activities		676,400	5,436,038
Cash and cash equivalents at 1 July		3,912,370	260,291
Net increase / (decrease) in cash and cash equivalents		(3,572,110)	3,652,078
Cash and cash equivalents at 30 June	15	340,260	3,912,370

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

1. Reporting entity

EVE Investments Limited (the "Company") is a company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2019 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial report was authorised for issue by the Directors on 16 September 2019.

2. Basis of preparation

a) Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report of the Company also complies with International Financial Reporting Standards ('IFRS') and interpretations as issued by the International Accounting Standards Board. EVE Investments Ltd is a for-profit entity for the purpose of preparing the financial statements.

b) New and amended standards adopted by the Group

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

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from contracts with Customers replaces AASB 118 Revenue. AASB 15 was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers.

The Group has considered AASB 15 in detail and determined that the impact on the Group's sales revenue from contracts under AASB 15 has not had a material impact for the year.

The Group's new revenue accounting policy is detailed below:

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled.

The Group primarily generates revenue from the sale of tea tree oil and essential oils, honey sales and contract manufacturing.

Revenue from the sale of these goods is recognised when control over the inventory has transferred to the customer. Control is generally considered to have passed when:

- physical possession and inventory risk is transferred (including via a third-party transport provider);
- payment terms for the sale of goods can be clearly identified through invoices issued to customers; and
- the customer has no practical ability to reject the product where it is within contractually specified limits.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any material transitional adjustments.

In accordance with the transitional provisions in AASB 9(7.2.15) and (7.2.26), comparative figures have not been restated.

The new accounting policies (applicable from 1 July 2018) are set out below.

Classification and measurement

Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Debt instruments: Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The measurement categories into which the Group classifies its debt instruments are as follows:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

From 1 July 2018 the group assesses on a forward looking basis the expected credit losses (ECLs) associated with its financial assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

New accounting policies applied resulting from the business combination

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Management uses valuation techniques in determining the fair values of the various elements of a business combination. Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, at depreciation rates specific to that asset group. The following estimated useful lives are used in the calculation of depreciation:

Class of fixed asset	**Depreciation rate**
Plant & equipment	10%-33%
Furniture & fittings	10%-20%
Buildings	5%
Computer equipment	25%-40%
Motor vehicles	25%
Bearer plants	3%

Assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An assets carrying amount is written down immediately to its recoverable amount if the assets carrying value is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statements of profit or loss.

Biological assets

The Group's biological assets consist of tea tree growth with the root stock (bearer plant) accounted for in accordance with AASB 116 Property Plant and Equipment (note 2(b)). The Group measures the biological assets in accordance with AASB 141 Agriculture at fair value less costs to sell up to the point of harvest, which becomes the basis for the cost of finished goods within inventories. Fair value is determined based on future cash flows of the in-process biological assets less costs to complete. Cost to sell include post-harvest production, shipping and fulfilment costs.

Where the biological assets cannot be reliably measured at fair value during the in-process (growth) stage the biological asset is measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value becomes reliably measurable (deemed to be the point of harvest) the Group measures the biological assets at their fair value less costs to sell as noted above.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows: Raw materials – purchase cost on a first-in, first-out basis; and Finished goods – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights in an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

c) Basis of measurement

The financial report is prepared on the historical cost basis, as modified by the revaluation of financial assets at fair value through the profit or loss.

d) Functional and presentation currency

The financial statements are presented in Australian dollars which is also the functional currency.

e) Going concern

For the year ended 30 June 2019 the entity recorded a loss from continuing operations of $2,638,506 and had net cash outflows from operating activities of $1,071,136 and had a working capital deficit of $490,949, which includes a liability of $474,101 under a working capital facility that is not currently due and payable. The Company also announced a capital raising of $850,000 before costs subsequent to year end (see note 31). The ability of the Company to continue as a going concern is dependent on the Company receiving future income from sales, additionally, the Company has the ability to raise additional capital or deal with its financiers regarding the level of financing available.

These conditions do however indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Management believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The directors have prepared cash flow projections that support the ability of the entity to continue as a going concern, subject to raising additional funds through equity as detailed above; and

- The entity also has the ability to reduce its expenditure to conserve cash.

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that 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 entity not continue as a going concern.

f) Use of significant estimates and judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3 – Business combinations – On 30 August 2018 the Group acquired Jenbrook Pty Ltd (“Jenbrook”) and on 25 February 2019 Meluka Health Pty Ltd (“Meluka”) resulting in the requirement of the Group to measure the assets acquired and liabilities assumed at their fair values for the respective acquisitions. For specified assets within Jenbrook the Group engaged an expert to ascertain the fair value of the land, buildings and bearer assets as at the acquisition date. For the remaining assets acquired and liabilities assumed management applied their estimates and judgements to determine the appropriate fair value where required.

- Note 4 – Investments in associates – The Group assess the carrying amount of its investments in associates at each reporting period, or more frequently if events or changes in circumstances indicate impairment, in accordance with AASB 128 Investments in Associates and Joint Ventures. If impairment indicators are identified the Group tests the investments for impairment in accordance with AASB 136 Impairment of Assets. In assessing the recoverability of its investments in associates management applies their estimates and judgements as to the recoverability of its investments.

  The Group applies the impairment requirements in AASB 9 Financial Instruments to its other interest in the associate such as loans to or receivables from the associate. Significant judgement is applied by management as to the expected credit losses of these balances. At 30 June 2019 the expected credit losses on loans and receivables due from its associates are nil.

- Note 7 – Recoverability of goodwill – The Group tests annually, or more frequently if events or changes in circumstances indicate impairment whether goodwill or associated assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations These calculations require the use of assumptions including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer note 7 in the financial report for a complete lists of the significant estimates used by management for the recoverability of the cash generating units and the sensitivities thereof.

- Note 11 – Biological assets – in calculating the value of the biological assets and inventory, management is required to make a number of estimates, including estimating the stage of growth of tea tree on the bearer plants, harvesting costs, selling costs, sales prices, wastage and expected yields for the tea tree plant. In calculating final inventory values, management is required to determine an estimate of spoiled or expired inventory and compares the inventory cost to estimated net realisable value.

- Note 25 – Share-based payment arrangements – The Group measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes model taking into account the exercise price, the term of the instrument, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the instrument.

- Note 25 (c) – Performance rights – The group reviews the likelihood of each performance right hurdle being met at each balance date. If the Group’s assessment is that the likelihood of conversion if greater than 50% a share-based payment expense will be recognised in the period.

3. Business combinations

a) Jenbrook Pty Ltd

On 30 August 2018, the Company acquired 100% of the shares of Jenbrook Pty Ltd, an established certified organic tea tree farm in the Northern Rivers region of NSW.

The total cost of the combination was $3,377,853 being the cash consideration of $2,864,000 provided, inclusive of the $135,000 deposit (see note 17), and $544,080 of debt that was held by Jenbrook that was novated to EVE. This debt was extinguished 50% with cash and 50% with shares in EVE. The fair value of the EVE shares on the date of the business combination was $241,813.

Consideration transferred

On the acquisition date, 30 August 2018, the fair value of the consideration transferred was recorded as:

Purchase Consideration	30-Aug-18 $
Cash	3,136,040
Shares	241,813
Total purchase consideration	3,377,853

Assets acquired and liabilities assumed at the date of acquisition

The Company has provisionally recognised the fair values of the identifiable assets and liabilities of Jenbrook based upon the best available information as of the reporting date.

Assets and liabilities at fair value	30-Aug-18 $
Trade and other receivables	442,754
Inventory	110,125
Equity investments	7,533
Land	2,776,758
Property, plant and equipment	1,797,416
Deferred tax asset	217,491
Trade and other payables	(70,292)
Borrowings	(1,082,425)
Deferred tax liability	(821,507)
Total assets and liabilities	3,377,853

A registered independent valuer with 37 years' experience specialising in Horticulture and agricultural valuations was engaged by the Company to ascertain the fair value of the land, buildings and bearer assets as at the acquisition date.

Impact of acquisition on the results of the Consolidated Entity

The acquired business contributed revenues of $1,497,900 and a net loss of $137,428 to the Consolidated Entity for the period from 30 August 2018 to 30 June 2019.

If the business combination had taken place at the beginning of the year, the loss of the Consolidated Entity would have been $2,679,753 and the revenue from continuing operations would have been $2,019,289.

Acquisition-related costs

Acquisition-related costs of $5,627 that were not directly attributable to the issue of shares are included in professional fees in profit or loss and in operating cash flows in the statement of cash flows.

b) Meluka Health Pty Ltd

On 25 February 2019, the Company acquired the remaining 50% of shares in Meluka Health Pty Ltd, an organic Australian honey and contract manufacturing business, that it did not previously control.

The total cost of the combination was $1,148,201 being the deferred cash consideration of $245,000 and EVE shares with a fair value of $245,000 on 25 February 2019. Additionally, the existing 50% of Meluka Health was revalued to the same price as the transaction being $490,000, which resulted in a fair value gain of $52,594. $168,201 in debt and payables was owed by Meluka Health to the Consolidated Entity as at the acquisition date and is included in the purchase consideration.

Consideration transferred

On the acquisition date, 25 February 2019, the fair value of the consideration transferred was recorded as:

	25-Feb-19
Purchase Consideration	**$**
Deferred cash consideration	245,000
Shares	245,000
Fair value of 50% investment in associate	490,000
Liabilities owed to EVE Investments	168,201
Total purchase consideration	1,148,201

Assets acquired and liabilities assumed at the date of acquisition

The Company has provisionally recognised the fair values of the identifiable assets and liabilities of Meluka Health based upon the best available information as of the reporting date.

	25-Feb-19
Assets and liabilities at fair value	**$**
Cash	37,697
Trade and other receivables	157,989
Inventory	37,581
Intangibles	143,047
Biological assets	11,000
Property, plant and equipment	126,998
Borrowings	(100,613)
Trade and other payables	(90,557)
Goodwill	825,059
Total assets and liabilities	1,148,201

Impact of acquisition on the results of the Consolidated Entity

The acquired business contributed revenues of $99,973 and a net loss of $391,987 to the Consolidated Entity for the period from 25 February 2019 to 30 June 2019.

If the business combination had taken place at the beginning of the year, the loss of the Consolidated Entity would have been $2,975,784 and the revenue from continuing operations would have been $1,933,857.

Acquisition-related costs

Acquisition-related costs of $4,362 that were not directly attributable to the issue of shares are included in professional fees in profit or loss and in operating cash flows in the statement of cash flows.

4. Investment in Associates

a) Movements in carrying amounts

	Note	2019 Consolidated $	2018 Company $
Investments in associates			
Balance at the beginning of the year		3,179,984	2,561,172
Investment in Omni Innovation		-	133,330
Acquisition of interest in Naturally Australian Products	*3a*	7,533	-
Derecognition of investment in Meluka Health		(437,406)	740,200
Share of losses after income tax		(922,113)	(254,718)
Balance at the end of the year		1,827,998	3,179,984

b) Summarised financial information of associates

The tables below provide summarised financial information for Omni Innovation, Naturally Australian Products and Meluka Health. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not EVE Investments Limited's share of those amounts. On 25 February 2019, Meluka Health became a subsidiary of EVE Investments (see note 3b), the below information includes the financial performance for Meluka Health for the financial year to this date.

	Ownership interest	Company's share of: Assets	Liabilities	Revenues	Losses	Amortisation
	%	$	$	$	$	$
Omni Innovation	37.70%	287,783	13,859	(1,336)	168,124	577,817
Naturally Australian Products	49.00%	424,164	561,773	570,835	69,295	-
Meluka Health[1]	50.00%	-	-	167,992	168,639	-

[1] Meluka Health performance is until 25 February 2019 (see note 3b).

Omni Innovation

Summarised statement of financial position	**2019 $**
Current Assets	
Cash and cash equivalents	386,601
Trade and other receivables	8,626
Total current assets	395,227
Non-current Assets	
Patents & development costs	368,031
Property, plant & equipment	188
Total non-current assets	368,219
Total assets	763,446
Current Liabilities	
Trade and other payables	36,767
Total current liabilities	36,767
Total liabilities	36,767
Net assets	726,679

Summarised statement of comprehensive income	**2019 $**
Revenue	(3,451)
Interest income	8,884
Other income	105,330
Loss from operating activities	(444,932)
Other comprehensive income	-
Total comprehensive loss	(444,932)

Naturally Australian Products

Summarised statement of financial position	**2019 $**
Current Assets	
Cash and cash equivalents	22,228
Trade and other receivables	241,870
Inventory	544,850
Total current assets	808,948
Non-current Assets	
Property, plant & equipment	56,692
Total non-current assets	56,692
Total assets	865,640
Current Liabilities	
Trade and other payables	479,638
Total current liabilities	479,638
Shareholder loans	666,837
Total non-current liabilities	666,837
Total liabilities	1,146,475
Net assets / (liabilities)	(280,835)

Summarised statement of comprehensive income	**2019 $**
Revenue	1,164,970
Interest income	-
Other income	8,207
Loss from operating activities	(141,417)
Other comprehensive income	-
Total comprehensive loss	(141,417)

c) Loans to associates

	Note	**2019 Consolidated $**	**2018 Company $**
Loans to associates			
Balance at the beginning of the year		-	-
Loans to associates		474,491	-
Derecognition on acquisition of 100% of Meluka Health		(150,613)	-
Unrealised foreign exchange movement		2,482	-
Amortised financial expense		(86,526)	-
Balance at the end of the year		239,834	-

Loans to associates have a repayment date of 30 June 2023 and have a nil interest rate.

The loans to associates have a fair value of $239,833 (2018: nil) and were calculated based on cash flows discounted using an 8% discount rate. The amortised finance expense has been recognised as a financing cost in the year.

5. Borrowings

During the period, as part of the acquisition of Jenbrook and Meluka Health (see note 3), the Company acquired borrowings held by the companies and which are used for working capital purposes. Additionally, on settlement of the Jenbrook acquisition, the existing owners provided a loan to Jenbrook as part of its on-going funding.

	2019 Consolidated $	2018 Company $
Revolving facility (i)	474,101	-
Jenbrook loan (ii)	50,000	-
Other unsecured borrowings	53,107	-
Current borrowings	577,208	-
Jenbrook loan (ii)	200,040	-
Meluka loan (iii)	100,613	-
Business loan (iv)	422,000	-
Non-current borrowings	722,653	-

(i) Variable interest rate with no end date. Secured by a mortgage against the Robyndale property.
(ii) Variable interest rate with $50,000 settled in August 2019 and the balance due in September 2020. Secured by a mortgage against the Jendale property.
(iii) Nil interest rate with a 3-year term, ending in 2022.
(iv) Variable interest rate with a 15-year term, ending in 2031. Secured by a mortgage against the Robyndale property.

6. Property, plant and equipment

	Freehold land $	Freehold buildings $	Bearer assets $	Furniture & fittings $	Motor vehicles $	Plant & equipment $	Computer Equipment $	Total $
At 30 June 2018								
Cost or fair value	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Net book amount	-	-	-	-	-	-	-	-
Full-year ended 30 June 2019								
Opening net book amount	-	-	-	-	-	-	-	-
Acquisition of subsidiary at fair value	2,776,758	242,157	1,312,752	3,318	15,846	348,814	1,527	4,701,172
Additions	-	-	-	-	-	63,417	-	63,417
Depreciation charge	-	(10,327)	(68,190)	(480)	(4,515)	(70,620)	(1,169)	(155,301)
Closing Net Book Amount	2,776,758	231,830	1,244,562	2,838	11,331	341,611	358	4,609,288
At 30 June 2019								
Cost or fair value	2,776,758	242,157	1,312,752	3,318	15,846	412,231	1,527	4,764,589
Accumulated depreciation	-	(10,327)	(68,190)	(480)	(4,515)	(70,620)	(1,169)	(155,301)
Net book amount	2,776,758	231,830	1,244,562	2,838	11,331	341,611	358	4,609,288

During the year, as part of the acquisitions of Jenbrook and Meluka Health (see note 3), the Company acquired freehold land, buildings and equipment primarily used in the production of tea tree oil from the Jenbrook properties. The freehold land is broken up into two properties, Jendale a 1,147 acre old growth tea tree plantation and Robyndale a 1,000 acre plantation used in the production of organic tea tree oil for distribution throughout the U.S. and Europe.

As a result of the business combination a fair value gain of $676,777 was recorded against freehold land, a fair value gain of $210,136 was recorded against freehold buildings and a fair value gain of $1,312,752 against bearer assets.

7. Goodwill

	Note	2019 Consolidated $	2018 Company $
Balance at the beginning of the year		-	-
Acquisition through business combination	*3b*	825,059	-
Balance at the end of the year		825,059	-

Impairment

AASB 136 requires annual impairment testing to be performed for goodwill. The goodwill of $825,059 acquired through the Meluka Health business combination has been allocated to the Meluka Health Cash Generating Unit ("CGU") for impairment testing using the value in use method. Value in use has been derived by calculating the discounted value of net cash flows expected to be derived from the CGU. Value in use has been based on a Board approved budget for year 1, forecasts based off the following assumptions for years 2 - 5 with a terminal value calculated to simulate the value of cash flows beyond that period.

The significant estimates and judgements relating to goodwill are disclosed in note 2(f).

The value in use model used the following assumptions:

Key Assumption	Input
Board approved budget	Year 1 (2020)
Annual growth rate (years 2 – 5)	20%
Average gross margin	66%
Inflation rate	2%
Long term growth rate	0%
Pre-tax discount rate	14.77%

Key Assumption	Approach used to determine values
Short-term growth rate	Average annual growth rate over years 2 - 5 based on management's expectations of market development.
Average gross margin	Average annual gross margin over the five-year forecast period based on past performance and expectation for the future.
Pre-tax discount rate	Reflects specific risks relating to the entity and the industries which it operates within.

The model has excluded the value of cash flows from financing activity and non-cash items such as depreciation and amortisation.

Based off the value in use model, no impairment was recognised during the year.

Sensitivity analysis

The following table sets out the sensitivities of the key assumptions to the recoverable value calculated by the value in use model for the CGU:

	Sensitivity based on reasonable possible change	Positive Impact	Negative Impact	Observed impact on impairment	
Board approved revenue (FY2020)	± 10%	625,950	(625,950)	Yes	(484,297)
Annual revenue growth rate	± 10%	222,323	(212,455)	Yes	(70,803)
Average gross margin	± 10%	213,874	(213,874)	Yes	(72,221)
Pre-tax discount rate	± 10%	208,839	(166,694)	Yes	(25,041)

The Company has considered and assessed reasonable possible changes for these key assumptions and other than those disclosed above have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

8. Intangible assets

	Total $
At 30 June 2018	
Cost or fair value	-
Accumulated depreciation	-
Net book amount	-
Full-year ended 30 June 2019	
Opening net book amount	-
Acquisition of subsidiary at fair value	143,047
Amortisation charge	(5,584)
Closing Net Book Amount	137,463
At 30 June 2019	
Cost or fair value	143,047
Accumulated amortisation	(5,584)
Net book amount	137,463

During the year, as part of the acquisition of Meluka Health (see note 3b), the Company acquired a Therapeutical Goods Administration licence. The intangible asset was tested for impairment as part of the impairment assessment of the Meluka Health Cash Generating Unit (see note 7).

9. Segment reporting

AASB 8 Operating Segments requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Company's Board receives segment information across two reportable business segments, Agriculture and Investment. The unallocated column refers to corporate costs and cash management.

Year ended 30 June 2019	Agriculture $	Investment $	Unallocated $	Consolidated $
Total segment revenue	1,597,873	-	-	1,597,873
Segment net gain / (loss) after tax	(432,109)	(1,008,639)	(1,197,758)	(2,638,506)
Segment assets	6,602,871	2,067,831	108,248	8,778,950
Segment liabilities	2,743,522	-	186,578	2,930,101

Year ended 30 June 2018	Agriculture $	Investment $	Unallocated $	Consolidated $
Total segment revenue	-	-	-	-
Segment net gain / (loss) after tax		(1,879,997)		(1,879,997)
Segment assets	-	7,457,256	-	7,457,256
Segment liabilities	-	76,798	-	76,798

10. Revenue

Disaggregation of revenue from contracts with customers

The Group derives its revenue from the sale of tea tree and essential oils and honey and provision of contract manufacturing services. The transfer of goods is a point in time for all product lines.

At a point in time	2019 Consolidated $	2018 Company $
Tea tree and essential oil sales	1,391,490	-
Honey sales	119,156	-
Contract manufacturing	87,227	-
	1,597,873	-

Revenues of approximately $1,080,000 (2018: nil) are derived from a single customer, Naturally Australian Products (an associate of the Company). These revenues are attributed to the tea tree and essential oil sales and honey sales.

Segment revenues represent revenue generated from external customers. There were no inter-segment revenues in the current period.

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

The Group primarily generates revenue from the sale of tea tree oil and essential oils, honey sales and contract manufacturing.

Revenue from the sale of these goods is recognised when control over the inventory has transferred to the customer. Control is generally considered to have passed when:

- physical possession and inventory risk is transferred (including via a third-party transport provider);
- payment terms for the sale of goods can be clearly identified through invoices issued to customers; and
- the customer has no practical ability to reject the product where it is within contractually specified limits.

11. Biological assets

	2019 Consolidated $	2018 Company $
Balance at the beginning of the year	-	-
Acquisition through business combination	11,000	-
Unrealised change in fair value of biological assets	314,831	-
Transferred to inventory upon harvest	(299,005)	-
Balance at the end of the year	26,826	-

The significant estimates and judgements relating to biological assets are disclosed in note 2(f).

12. Expenses from continuing operations

	2019 Consolidated $	2018 Company $
Professional fees		
Audit fees	68,549	44,594
Tax consulting services	2,700	2,700
Legal costs	34,140	31,853
Corporate consultants	95,677	260,000
Other professional fees	31,453	3,466
(Gain) / loss on settlement	(47,093)	161,399
	185,426	504,012
Employee benefit expense		
Wages	584,744	334,741
Directors fees	384,250	166,875
Directors fees - equity settled	-	400,410
Share based payments expense	214,575	37,967
	1,183,569	939,994
Other expenses		
Corporate costs	62,095	108,739
Premises and insurance	147,061	36,620
Travelling costs	74,746	46,242
Financing costs	86,526	-
Depreciation	155,301	-
Amortisation	5,585	-
Other operating expenses	205,741	8,576
	737,055	200,177

13. Income taxes

	2019 Consolidated $	2018 Company $
Income tax expense / (benefit):		
Current tax	-	-
Deferred tax	-	-
	-	-
Reconciliation of income tax expense/ (benefit) to prima facie income tax payable / (refundable):		
Loss before income tax for the year from continuing operations	(2,638,506)	(1,879,997)
Loss before income tax	(2,638,506)	(1,879,997)
Prima facie income tax at 27.5% (2018: 27.5%)	(725,589)	(516,999)
Tax effect of permanent differences and deferred tax movements not recognised	275,890	148,538
	(449,699)	(368,461)
Effect of tax loss not recognised as deferred tax assets	449,699	368,461
Benefit of tax losses not previously recognised	-	-
Income tax expense / (benefit)	-	-
Recognised deferred tax assets/liabilities arising on timing differences and losses:		
Net deferred tax liability in respect of acquisition of Jenbrook	604,016	-
Less: Benefit of tax losses not previously recognised	-	
	604,016	-

Unrecognised deferred tax assets:

	2019 Consolidated $	2018 Company $
Losses - revenue	2,017,516	1,401,505
Provisions, accruals and other	126,548	135,141
	2,144,064	1,536,646

Unrecognised deferred tax liabilities:

	2019 Consolidated $	2018 Company $
Other	38,529	4,998
	38,529	4,998

The tax benefits of the above deferred tax assets will only be obtained if:

i. the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

ii. the Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and

iii. no changes in income tax legislation adversely affect the Consolidated Entity from utilising the benefits.

14. Loss per share

The calculation of basic loss per share at 30 June 2019 was based on the loss attributable to ordinary shareholders of $2,638,506 (2018: $1,879,997) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2019 of 2,298,495,848 (2018: 1,879,517,756) calculated as follows:

	2019 Consolidated $	2018 Company $
Loss attributable to ordinary shareholders		
Loss for the year	(2,638,506)	(1,879,997)
Loss for the year from continuing operations	(2,638,506)	(1,879,997)
Basic loss per share		
Basic loss per share (cents)	(0.11)	(0.10)
Basic loss per share from continuing operations (cents)	(0.11)	(0.10)
Diluted loss per share		
Diluted loss per share (cents)	n/a	n/a
Diluted loss per share from continuing operations (cents)	n/a	n/a

	2019	2018
Weighted average number of shares	2,298,495,848	1,879,517,756
Options	-	-
Weighted average number of shares diluted EPS	2,298,495,848	1,879,517,756

Basic earnings per share

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

Diluted earnings per share

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

15. Cash and cash equivalents

	2019 Consolidated $	2018 Company $
Cash at bank & on hand	340,260	1,612,370
Term deposits	-	2,300,000
	340,260	3,912,370

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of any outstanding bank overdrafts.

16. Trade and other receivables

	2019 Consolidated $	2018 Company $
Trade debtors	374,578	4,390
Other receivables	74,563	25,512
	449,141	29,902

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

Information about the Company's exposure to credit risk is provided in note 33. No receivables held by the Company are past due or impaired.

17. Deposits and other financial assets

	2019 Consolidated $	2018 Company $
Deposits (i)	-	135,000
	-	135,000
Other financial assets (ii)	-	200,000
	-	200,000

(i) Under the transaction announced on 21 June 2018 with Jenbrook, a refundable deposit of $135,000 was paid, on acquisition this deposit was offset against the consideration payable (see note 3a).

(ii) In February 2018, EVE and Jenbrook entered into a 12-month secured loan agreement for $200,000 to fund capital requirements.

18. Inventories

	2019 Consolidated $	2018 Company $
Raw materials – at cost	55,116	-
Finished goods – at cost	50,475	-
	105,591	-

19. Trade and other payables

	2019 Consolidated $	2018 Company $
Trade creditors	412,078	47,977
Other payables	151,655	28,821
	563,733	76,798

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. The amounts are unsecured and are usually payable within 30 days of recognition.

Information about the Company's exposure to credit risk is provided in note 33.

20. Contributed equity

	2019 Consolidated $	2018 Company $
Issued capital	25,071,368	24,150,222
Cost of share issue	(1,469,014)	(1,440,190)
	23,602,354	22,710,032

a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in the proportion to the number and amount paid on the shares held.

Ordinary shares are classified as equity and incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

b) Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Movement in share capital

2019		Number of shares	Issue price	AUD
01 Jul 2018	Opening balance	2,238,804,322		22,710,032
30 Aug 2018	Settlement of management loan [1]	30,226,666	0.008	241,813
30 Aug 2018	Placement	1	0.008	-
22 Nov 2018	Conversion of performance rights	2,750,000	0.000	-
31 Dec 2018	Conversion of performance rights	1,750,000	0.000	-
25 Feb 2019	Settlement of acquisition	40,833,334	0.006	245,000
27 Mar 2019	Placement	58,333,334	0.006	350,000
27 Mar 2019	Conversion of performance rights	3,750,000	0.000	-
21 May 2019	Settlement of invoice in shares [2]	16,866,666	0.005	84,333
	Capital raising costs			(28,824)
30 June 2019	**Closing balance**	2,393,314,323		23,602,354

[1] Shares were issued at a deemed issue price of $0.009, the fair value on the issued date was $0.008. A gain on settlement of $30,227 has been recognised to reflect the difference in valuation.
[2] Shares were issued at a deemed issue price of $0.006, the fair value on the issued date was $0.005. A gain on settlement of $16,866 has been recognised to reflect the difference in valuation.

2018		**Number of shares**	**Issue price**	**AUD**
01 Jul 2017	Opening balance	1,460,387,624		16,382,059
04 Jul 2017	Employee share plan issue	22,833,333	0.006	137,000
13 Oct 2017	Placement	219,000,001	0.005	1,095,000
22 Nov 2017	Placement [1]	22,000,000	0.008	176,000
22 Nov 2017	Conversion of options	23,435,418	0.006	140,613
27 Nov 2017	Conversion of options	24,812,503	0.006	148,875
01 Dec 2017	Conversion of options	55,562,505	0.006	333,375
08 Dec 2017	Conversion of options	41,875,004	0.006	251,250
08 Dec 2017	Settlement of invoice in shares [2]	3,000,000	0.021	63,000
15 Dec 2017	Conversion of options	9,833,334	0.006	59,000
29 Dec 2017	Conversion of options	12,966,667	0.006	77,800
29 Dec 2017	Employee share plan issue	15,499,968	0.016	247,999
18 Jan 2018	Conversion of options	200,000	0.006	1,200
18 Jan 2018	Conversion of performance rights	1,750,000	0.000	-
31 Jan 2018	Conversion of options	9,000,000	0.006	54,000
07 Feb 2018	Placement	270,000,001	0.013	3,510,000
08 Feb 2018	Conversion of performance rights	1,250,000	0.000	-
07 Mar 2018	Entitlement issue	5,463,941	0.013	71,031
29 Mar 2018	Entitlement issue shortfall	23,078,500	0.013	300,021
04 Apr 2018	Employee share plan issue	13,855,523	0.011	152,412
27 Jun 2018	Conversion of performance rights	3,000,000	0.000	-
	Capital raising costs			(490,603)
30 June 2018	**Closing balance**	2,238,804,322		22,710,032

[1] Shares were issued at a deemed issue price of $0.005, the fair value on the issued date was $0.008. A loss on settlement expense of $66,000 has been recognised to reflect the difference in valuation.
[2] Shares were issued at a deemed issue price of $0.005, the fair value on the issued date was $0.021. A loss on settlement expense of $48,000 has been recognised to reflect the difference in valuation.

21. Share based payments reserves

Reconciliation of movement in reserves	**2019 Consolidated $**	**2018 Company $**
Share-based payments reserve		
Balance at the beginning of the year	176,107	105,820
Equity settled share-based payment transactions	214,575	154,843
Transfer of share-based payments on exercise/lapse of options	(117,500)	(84,556)
Balance at 30 June	273,182	176,107

The share based payments reserve is used to recognise the grant date fair value of options and rights issued to employees but not exercised.

22. Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

23. Remuneration of auditor

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2019 Consolidated $	2018 Company $
BDO Audit (WA) Pty Ltd:		
Audit and review of financial reports	68,549	44,594
Total auditors' remuneration	68,549	44,594

24. Related parties

a) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2019 (2018: nil).

b) Key management personnel compensation

	2019 $	2018 $
Short-term employee benefits	356,987	155,542
Post-employment benefits	27,263	11,333
Equity compensation benefits	57,015	362,989
	441,265	529,864

c) Other transactions with related parties of the Company

The terms and conditions of the transactions with Directors, key executives and associates and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

	Charges from:		Charges to:	
	2019 $	2018 $	2019 $	2018 $
Mitchell River Group Pty Ltd [1]	217,620	185,715	-	259
Provision of a serviced office and admin staff				
African Energy Resources Ltd [1]	-	-	-	205
Recharge of overheads and wages				
Anova Metals Ltd [1]	63	196	-	473
Recharge of overheads and wages				
Omniblend Innovation Pty Ltd [2]	-	5,554	82,229	119,909
Recharge of overheads and wages				
Meluka Health Pty Ltd [3]	-	-	105,025	16,592
Recharge of overheads and wages				
Naturally Australian Products Inc. [4]	-	-	1,093,126	-
Sale of essential oils and honey				

[1] Alasdair Cooke and Gregory (Bill) Fry are common directors between EVE and the related party.

[2] George Cameron-Dow and Gregory (Bill) Fry are common directors between EVE and the related party.

[3] EVE held a 50% investment in Meluka Health. Charges relate to the period to 25 February 2019, when EVE gained 100% control of Meluka Health.

[4] On 30 August 2018, EVE gained a 49% interest in Naturally Australian Products. Charges relate to the period from this date.

d) Assets and liabilities arising from the above transactions

	2019 $	2018 $
Trade debtors	241,712	4,390
Loans to associates receivable	239,833	-
Trade creditors	69,255	15,851

25. Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

	Share based payment expense 2019 $	Share based payment expense 2018 $
Broker options (a)	-	69,476
Shares / Options in lieu (b)	-	400,410
Performance rights (c)	214,575	37,967
Creditor options (d)	-	47,399
Total	214,575	555,253

a) Broker options

On 8 February 2018 the Company issued 20,000,000 broker options related to the placement completed on the same date. The value of the options was $69,476 and was fully expensed during the year as a share-based payment expense. The value was derived from a Black-Scholes calculation taking into account the underlying share price on the grant date of $0.012, a volatility of 130% and a risk free rate of 1.50%.

b) Shares and options in lieu

During the prior year the Board members agreed to convert their accrued fees for the December 2017 and March 2018 quarters into equity at a deemed price of $0.005 per share. The issue of shares and options in lieu of equity was approved by the Company's shareholders at the 2017 Annual General Meeting.

Shares were issued on 29 December 2017 and 4 April 2018 for the respective December and March quarters. The fair value of the shares on issue date ($0.016/share and $0.011/share respectively) have been recognised in the Company's accounts as a share based payment.

	29 December 2017		4 April 2018	
	Shares received	Value of shares received	Shares received	Value of shares received
George Cameron-Dow	1,749,990	28,000	1,749,990	19,250
Michael Pixley	1,749,990	28,000	1,749,990	19,250
Alasdair Cooke	3,750,000	60,000	2,105,555	23,161
Gregory Fry	8,249,998	132,000	8,249,998	90,750
	15,499,978	248,000	13,855,533	152,411

c) Performance rights plan

The EVE Performance Rights Plan is designed to provide long-term incentives for senior managers and above (including executive Directors) to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Performance Rights are granted under the plan for no consideration. Performance Rights granted under the plan carry no dividend or voting rights. When vested, each performance right is convertible into one ordinary share.

The terms and conditions of each grant of performance rights affecting remuneration in the current or future period are as follows:

Issue Date	Expiry date	Tranche	Number granted	Value at grant date $	Vested in year $	Vested at 30 June 2019	Unvested at 30 June 2019
3-May-16	3-May-21	A	6,000,000	75,273	-	-	6,000,000
31-May-16	31-May-21	A	9,000,000	72,000	-	-	9,000,000
18-Jan-18	17-Jan-23	B	1,125,000	19,125	11,466	1,125,000	-
18-Jan-18	17-Jan-23	C	1,125,000	19,125	9,031	-	1,125,000
18-Jan-18	17-Jan-23	D	1,750,000	29,750	15,188	1,750,000	-
18-Jan-18	17-Jan-23	E(i)	1,750,000	29,750	15,710	1,750,000	-
18-Jan-18	17-Jan-23	E(ii)	1,750,000	29,750	20,329	-	1,750,000
18-Jan-18	17-Jan-23	F	1,250,000	21,250	12,253	1,250,000	-
22-Nov-18	22-Nov-23	B	1,375,000	9,625	9,625	1,375,000	-
22-Nov-18	22-Nov-23	C	1,375,000	9,625	4,554	-	1,375,000
22-Nov-18	22-Nov-23	G	7,500,000	52,500	37,019	-	7,500,000
22-Nov-18	22-Nov-23	H	7,500,000	52,500	17,035	-	7,500,000
22-Nov-18	22-Nov-23	I	11,600,000	81,200	18,784	-	11,600,000
22-Nov-18	22-Nov-23	J	8,700,000	60,900	10,181	-	8,700,000
22-Nov-18	22-Nov-23	K	13,200,000	92,400	26,400	-	13,200,000
22-Nov-18	22-Nov-23	L	1,000,000	7,000	7,000	1,000,000	-
			76,000,000	661,773	214,575	8,250,000	67,750,000

Tranche	Hurdle	Likelihood
A	Omni Innovation completing an IPO or RTO on the ASX or an alternative Board approved exchange or the Trade Sale of Omni Innovation's main business	< 50%
B	Continuous service until 1 March 2019	Hurdle met
C	Continuous service until 1 March 2020	> 50%
D	Completing 50% investment into Meluka Health P/L plus 12 months service	Hurdle met
E(i)	Completing an acquisition of 100% investment into Meluka Health P/L and exercise key options	Hurdle met
E(ii)	Vest 12 months after performance hurdle	> 50%
F	Completing a $3,000,000 minimum capital raise plus 12 months service	Hurdle met
G	Continuous service until 30 September 2019	> 50%
H	Continuous service until 30 September 2020	> 50%
I	Achievement $10 million of gross revenue per annum in combined EVE group entities	> 50%
J	Achievement of EBITDA of $2 Million per annum in combined EVE group entities	> 50%
K	Achieving a market capitalisation of $50 Million for 15 consecutive days on which EVE is traded	> 50%
L	No hurdle	> 50%

The fair value of the performance rights granted during the year is $365,750 (2018: $199,750). The value is based off the underlying share price on the date of issue and likelihood of the performance right hurdle being met. At each reporting date the likelihood of each performance right hurdle is reviewed by management and the share-based payment adjusted accordingly. During the year $214,575 (2018: $37,967) of expense was recorded. This value was based off the underlying share price on the date of issue and likelihood of the performance right hurdle being met.

d) Creditor shares and options

During the 2017 financial year a related party creditor agreed to convert a portion of their accrued fees into equity on the same terms as the placement completed by the Company in October 2017. The issue of shares and options in lieu of equity was approved by the Company's shareholders at the 2017 Annual General Meeting and the shares and options were issued in November 2017. A loss on settlement expense of $47,399 was recognised on the grant of the options during the prior year. This value was derived from a Black-Scholes calculation taking into account the underlying share price on the grant date of $0.008, a volatility of 164.47% and a risk free rate of 1.50%.

Detailed remuneration disclosures are provided in the remuneration report on pages 12 - 17.

26. Reconciliation of loss after income tax to net cash inflow from operating activities

	30-Jun-19 Consolidated $	30-Jun-18 Company $
Loss for the year from continuing operations	(2,638,506)	(1,879,997)
Adjustments for:		
Share of losses in associates	922,113	254,718
Gain on settlement of share-based payment expenses	(47,093)	-
Fair value gain on derecognition of associate	(52,594)	-
Fair value movement on biological assets	(7,899)	-
Financing costs	86,526	-
Depreciation expense	155,301	-
Amortisation expense	5,585	-
Capitalised interest income	(3,281)	-
Net foreign exchange gains / (losses)	(2,483)	-
Equity-settled share-based payment expenses	306,575	899,868
Operating loss before changes in working capital and provisions	(1,275,756)	(725,411)
(Increase)/decrease in trade and other receivables	(121,780)	(3,594)
(Decrease)/increase in trade and other payables	326,400	(79,754)
Net cash used in operating activities	(1,071,136)	(808,760)

There were no non-cash financing activities during the year.

27. Interests in Subsidiaries

The consolidated financial statements include the financial statements of EVE Investments Limited and the subsidiaries listed in the following table:

Direct subsidiaries of the parent	Country of incorporation	Equity holding 30-Jun-19 %	Equity holding 30-Jun-18 %
Jenbrook Pty Ltd	AUS	100	-
Meluka Health Pty Ltd	AUS	100	-
Indirect subsidiaries			
(Direct subsidiaries of Jenbrook Pty Ltd – 100%)			
Jenbrook Trading Pty Ltd	AUS	100	-
(Direct subsidiaries of Meluka Health Pty Ltd – 100%)			
Meluka Honey Pty Ltd	AUS	100	-
Eco Botanicals Pty Ltd	AUS	100	-

EVE Investments Limited, incorporated in Australia, is the ultimate parent entity of the Consolidated Entity.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note.

28. Parent company disclosures

	2019 $	2018 $
Current assets	108,248	4,277,272
Non-current assets	6,172,179	3,179,984
Total assets	6,280,427	7,457,256
Current liabilities	431,578	76,798
Non-current liabilities	-	-
Total liabilities	431,578	76,798
Contributed equity	23,602,354	22,710,032
Reserves	273,182	176,107
Accumulated losses	(18,026,687)	(15,505,681)
Total equity	5,848,849	7,380,458
Loss for the year	(2,638,506)	(1,879,997)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive loss for the year	(2,638,506)	(1,879,997)

No guarantees were entered into by the parent company during the year (2018: nil).

At 30 June 2019 the parent company had no contingent liabilities (30 June 2018: nil).

29. Contingent assets and liabilities

There were no contingent liabilities or contingent assets at 30 June 2019 (2018: nil).

30. Capital and other commitments

There were no capital and other commitments at 30 June 2019 (2018: nil).

31. Events occurring after reporting date

On 12 July 2019, the Company announced a two tranche placement to raise $750,000 before costs through a share issue at $0.005, placement participants will also receive a 1 for 1 attaching option exercisable at $0.006 and expiring 31 December 2021, the Company advised on 9 August that this had been increased to $850,000. The first $563,500, being the issue of 112,700,000 shares and 112,700,000 options was completed on 19 July 2019. The remainder of the placement, including conversion of accrued director fees, were approved at a General Meeting of the Company held on 12 September 2019.

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

32. Significant accounting policies

a) Associates (equity accounted investees)

Associates are all entities over which the Company has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Company's investment in associates includes goodwill (net of any accumulated impairments loss) identified on the acquisition.

The Company's share of its associates post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment, thereafter gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associate.

b) Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

c) Employee benefits

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

d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

e) Comparative figures

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

f) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash held on reserve to meet collateral requirements, lease bonds and for regulatory purposes are not included in cash and cash equivalents, but classified as cash deposits not available for use by the Group.

h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group considers a financial asset in default when contractual payment are > 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

On the above basis, the loss allowance was deemed insignificant for trade receivables.

i) Goodwill
Goodwill represents the excess of the purchase consideration over the fair value of the identifiable net assets at the time of acquisition of a combination. When the excess is negative (bargain purchase), it is recognised immediately in profit or loss.

Goodwill is not amortised. Instead, Goodwill is tested for impairment at each reporting date or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of Goodwill relating to the entity sold.

Goodwill is allocated to each of the cash-generating units for the purpose of impairment testing. Impairment is determined by assessing the recoverable amount of the cash- generating unit to which the goodwill relates (refer note 10). Impairment losses on goodwill cannot be reversed.

j) Identifiable intangible assets
Intangible assets acquired separately or in a business combination are initially measured at the lower of cost or fair value cost at the time of acquisition when it is probable that the future economic benefits arising as a result of the costs incurred will flow to the Group. The Group assesses identifiable intangible assets as having either finite or indefinite useful lives.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment at least twice a year or whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least each financial year end. Changes in the expected useful life or flow of economic benefits intrinsic in the asset are an accounting estimate. The amortisation charge on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income.

k) Trade and Other Payables
Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

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

m) Earnings per Share
Basic earnings per share is calculated as a net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

n) Income tax
Income tax on the Statement of Profit or Loss and other Comprehensive Income for the periods presented comprises current and deferred tax. Income tax is recognised in the Statement of Profit or Loss and other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised, or to the extent that the Group has deferred tax liabilities with the same taxation authority.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend

o) Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director.

p) New standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ended 30 June 2019.

AASB 16 Leases

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. The application date of this standard is for annual reporting periods beginning on or after 1 January 2019. The standard is not expected to have a material impact on the Company.

33. Financial risk management

The Company's activities expose it to both credit risk and liquidity risk. The Company'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 Company. The Company uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by a central treasury department (Company Treasury) under policies approved by the Board of Directors. Company Treasury identifies, evaluates and hedges financial risks in close co-operation with the Company’s operating units.

a) Credit risk

The carrying amount of cash and cash equivalents, financial assets, trade and other receivables (excluding prepayments), represent the Company’s maximum exposure to credit risk in relation to financial assets.

Cash and short term liquid investment are placed with reputable banks, so no significant credit risk is expected.

The Company does not have any material exposure to any single debtor or Company of debtors, so no significant credit risk is expected.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit rates:

	2019 Consolidated $	2018 Company $
Cash and cash equivalents A-1+	340,260	3,912,370

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, Company Treasury aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are only invested in instruments that are tradeable in highly liquid markets.

The table below analyses the Company’s financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Contractual maturities of financial liabilities

2019	**Less than 6 months**	**6 - 12 months**	**More than 12 months**	**Total contractual cash flows**
Trade payables	563,733	-	-	563,733
Deferred consideration	-	245,000	-	245,000
Borrowings	103,107	-	722,653	825,760
	666,840	245,000	722,653	1,634,493
2018				
Trade payables	76,798	-	-	76,798
	76,798	-	-	76,798

34. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

b) Share-based payment transactions

The fair value of employee share options and performance rights is measured using a Black-Scholes pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option/right holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF EVE INVESTMENTS LIMITED

As lead auditor of EVE Investments Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of EVE Investments Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 16 September 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of EVE Investments Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of EVE Investments 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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:

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

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

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

Acquisitions of Jenbrook Pty Ltd and Meluka Health Pty Ltd

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 3 of the financial report, the Group completed the acquisitions of Jenbrook Pty Ltd ("Jenbrook") and Meluka Health Pty Ltd ("Meluka") during the year. These acquisitions were accounted for in accordance with *AASB 3: Business Combinations* and was deemed to be a key audit matter given the acquisitions were material to the Group and involved significant judgements made by management, including the estimation of the fair value of assets acquired and liabilities assumed.	Our procedures included, but were not limited to the following: • Assessing management's conclusion of the acquisitions meeting the definition of a business combination; • Reviewing the acquisition agreements to understand the key terms and conditions, and confirming our understanding of the transactions with management; • Comparing the assets and liabilities recognised on acquisition against the executed agreements and the historical financial information of the acquired businesses; • Regarding the acquisition of Jenbrook, assessing the appropriateness of the independent expert to which management has engaged to verify the existence and assess the fair value of specified assets acquired as part of the acquisition; • Evaluating the assumptions and methodology in management's determination of the fair value of assets acquired and liabilities assumed; and • Assessing the adequacy of the related disclosures in the Financial Report, refer Note 2 and Note 3.

BDO

Recoverability of goodwill

Key audit matter	*How the matter was addressed in our audit*

A disclosed in Note 7 of the Financial Report, the Group has recognised a significant value of goodwill resulting from the acquisition of Meluka.
 	
This was determined to be a key audit matter as management's assessment of the recoverability of goodwill requires significant judgement, in particular estimation of future cash flows, future growth rate of the cash generating unit ("CGU"), the discount rate applied to future cash flows and sensitivities of inputs and assumptions used in the cash flow model (refer to Note 7).
	Our procedures included, but were not limited to the following:
	• Assessing the appropriateness of the Group's identification of CGUs;
	• Challenging key inputs used in management's impairment assessment including the following:
	    • In conjunction with our valuation specialist, comparing the discount rate utilised by management to our internally calculated discount rate;
	    • Comparing the Group's cash flow forecast to the board approved budget including assessing the reasonableness of the growth rate used therein; and
	    • Performing sensitivity analysis to stress test the key assumptions used, including the future growth and discount rates.
	• Assessing the adequacy of the related disclosures in Note 2 and Note 7 of the financial report.

Other information

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

Our opinion on the financial report does not cover the other information and 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 ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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 paragraphs 9 to 14 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of EVE Investments Limited, for the year 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.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 16 September 2019

1. Exchange listing

EVE investments Limited shares are listed on the Australian Securities Exchange. The Company's ASX code is EVE.

2. Substantial shareholders (holding not less than 5%)

The following substantial shareholders have lodged relevant disclosures with the Company.

Name of Shareholder	Number of shares held
Mr Alasdair Campbell Cooke	182,374,601

3. Class of shares and voting rights

At 2 September 2019, there were 4,032 holders of 2,506,014,323 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

a) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;

b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

4. Distribution of shareholders

Range	Securities	Number of holders	% IC
100,001 and Over	2,409,039,151	1,953	96.13
10,001 to 100,000	95,760,386	1,704	3.83
5,001 to 10,000	799,937	98	0.03
1,001 to 5,000	368,993	114	0.01
1 to 1,000	45,856	163	0.00
	2,506,014,323	**4,032**	**100.00**
Unmarketable Parcels	113,142,010	2,223	4.54

5. Unlisted securities

Securities	Number on issue	Number of holders	Holders with 20% or more	Number held
Employee incentive performance rights	67,750,000	11	nil	n/a
Unlisted options exercisable at 0.6 cents on or before 31/12/2021	112,700,000	2	nil	n/a
Unlisted options exercisable at 2.5 cents on or before 31/12/2019	20,000,000	4	John Athanasiou	5,000,000
			J H Funky Investments Pty Ltd	10,000,000

6. Listing of 20 largest shareholders as at 2 September 2019

Rank	Name	Number of shares held	% IC
1	TRT INVESTMENT GROUP PTY LTD	126,948,520	5.09
2	SURFIT CAPITAL PTY LTD	70,000,000	2.81
3	MR ALASDAIR CAMPBELL COOKE	51,486,639	2.06
4	MRS ABIGAIL CLARE FRY	45,760,124	1.83
5	HARTREE PTY LTD	38,426,727	1.54
6	SASSEY PTY LTD <AVAGO SUPER FUND A/C>	37,390,000	1.50
7	REFRESH GROUP LIMITED	37,053,974	1.49
8	BRYAN KENT EASSON	35,530,000	1.42
9	ROBYN MERRYL INGERSOLE	35,530,000	1.42
10	SASSEY PTY LTD <AVAGO SUPER FUND A/C>	33,000,000	1.32
11	MR CHONG YEW CHUA & MISS WEN ZHANG	28,515,245	1.14
12	GLENLAREN PTY LTD <GLENLAREN SUPER A/C>	28,333,334	1.14
13	GLENLAREN PTY LTD <GLENLAREN A/C>	28,044,400	1.12
14	MR MARC JOHN CALOKERINOS	26,000,000	1.04
15	MR DONAL PAUL WINDRIM	23,400,655	0.94
16	MITCHELL RIVER GROUP PTY LTD	22,000,000	0.88
17	TW CONSULTING CO LTD	20,000,000	0.80
18	MR MIROSLAV MICHAEL PETROVIC	17,666,667	0.71
19	MR BENEDICT JAMES ROHR	17,000,000	0.68
20	CGAM PTY LTD	16,866,666	0.68
		738,952,951	**29.61%**

7. Other information

There is no current on-market buyback of the Company's securities and the Company does not have any securities on that issue that are subject to escrow restriction.

eve investments

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