SYNGAS

LIMITED

ABN 41 062 284 084

Annual Report 2020

CORPORATE DIRECTORY

DIRECTORS:	Datuk Siak Wei Low David Low Peter Ng
COMPANY SECRETARY:	Ian Gregory
REGISTERED OFFICE:	Level 13, 200 Queen Street Melbourne, VIC 3000 Tel: +61 (3) 8648 6431
AUDITORS:	**Moore Australia Audit (VIC)** Level 18, 530 Collins Street Melbourne VIC 3000
SHARE REGISTRY:	**Computershare Investor Services Pty Ltd** Level 11, 172 St Georges Terrace Perth WA 6000 GPO Box D182 Perth WA 6840 Tel: 1300 557 010 Int: +61 (8) 9323 2000 Fax: +61 (8) 9323 2033

This annual report covers the Consolidated Entity comprising Syngas Limited and its subsidiaries. The Consolidated Entity's presentation currency is Australian Dollars ($). The functional currency of Syngas Limited and its subsidiaries is Australian Dollars ($). A description of the Consolidated Entity's operations and of its principal activities is included in the review of operations and activities in the Directors' Report.

CONTENTS

DIRECTORS' REPORT

The directors of Syngas Limited ("Syngas", "Parent Entity" or "Company") present their report including the consolidated Annual Financial Report of the Company and its controlled entities ("Consolidated Entity" or "Group") for the year ended 30 June 2020. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

DIRECTORS

The names of the directors of the Company in office at any time during or since the end of the financial year and up to the date of this Annual Financial Report are as follows:

Richard Ong (appointed 24 November 2014 and resigned on 30 April 2020)
David Chee Cheong Low (appointed 2 November 2015 and continues in office)
Datuk Siak Wei Low (appointed 19 September 2014 and continues in office)
Peter Ng (appointed 1 October 2014 and continues in office)

PRINCIPAL ACTIVITIES

The principal activity of the Company is in the resource and energy sector. The Company continues to seek investment opportunities in the resource and energy sector.

There were no other significant changes in the nature of the Consolidated Entity's principal activities during the financial year.

OPERATING RESULTS

The operating loss of the Consolidated Entity, after income tax expense, amounted to $721,656 (2019:loss $365,434).

REVIEW OF OPERATIONS

On 29 June 2020, the Board announced that it had entered into a Share and Asset Sale Agreement ("SASA") with Tyranna Resources Limited ("Vendor" or "Tyranna") for the proposed acquisition of all of Tyranna's right, title and interest in all of the issued shares of Half Moon Pty Ltd (ACN 159 579 138) (HMP), the owner of the majority and controlling joint venture interest in the Western Gawler Craton Joint Venture (WGCJV) and all tenements located around the WGCJV owned 100% by HMP and Trafford Resources Pty Ltd (ACN 112 257 299) (Trafford), collectively referred to as the "Jumbuck Gold Project" (Acquisition) for $950,000. HMP and Trafford are wholly owned subsidiaries of Tyranna.

Pursuant to the Deeds of Variations dated 7 August 2020 and 18 October 2020, the purchase consideration for the Jumbuck Project was revised to $2.25 million. However, on 26 November 2020, the shareholders of Tyranna at a general meeting voted against the selling of the Jumbuck Gold Project to Syngas. The SASA has since been terminated.

The Company now continues to seek other investment opportunities.

CORPORATE

During the year, the Company raised $245,000 in loans from an entity related from Datuk Siak Wei Low and $170,000 loan from third parties for working capital purposes. AsiaPacific Businesslink Sdn Bhd, an entity related to Datuk Siak Wei Low, has also signed a $1,300,000 loan facility with the Company to finance the purchase consideration of the Jumbuck Gold Project. With the termination of the SASA, AsiaPacific Businesslink Sdn Bhd has agreed for the loan facility to be utilised for working capital purposes of the Company.

Syngas is financially supported by loans from a Director, Datuk Siak Wei Low and his related entities amounting to $1,876,934 as at 30 June 2020 (2019:$1,513,636), refer to note 8(b) for further details. Datuk Siak Wei Low has given a letter of undertaking to the Company to continue to provide sufficient financial assistance to the Company for next 12 months to continue its operations and fulfil its financial obligations.

On 23 June 2020, the Company applied to ASX to be removed from the Official List of the ASX pursuant to ASX Listing Rule 17.11 and this was duly accepted by the ASX. This decision was made due to trading suspension (imposed since 5 September 2018) which impacted liquidity of its shares, to enable to the completion of the SASA as detailed previously and to reduce costs. Syngas shares were removed from Official List of the ASX on 20 August 2020. The entity as at 30 June 2020 remains an unlisted disclosing entity.

DIVIDENDS

No dividends have been paid or declared since the start of the financial year.
The directors have recommended that no dividend be paid in respect of the year ended 30 June 2020.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, there were no significant changes to the state of affairs of Syngas other than disclosed above in Review of Operations and Corporate.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Board is continuing to review and hold discussions on other investment opportunities and the restructuring of the Company, but acknowledges that in today's capital market, working capital is difficult to raise and as such, will continue to engage with potential investors on the capital raising for the restructuring of the Company.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the financial year, the Company entered into a Supplementary SASA to revise the purchase consideration for the Jumbuck Gold Project to $2.25 million and the Company also entered into a loan facility for $1.2 million with AsiaPacific Businesslink Sdn Bhd, a company related to director, Datuk Siak Wei Low to fund the acquisition of the Jumbuck Gold Project. However, in view of the TYX shareholders rejection of the sale of Jumbuck Gold Project and the subsequent termination of the SASA, the Company would now be seeking other new investment opportunities.

The Covid-19 pandemic has created unprecedented uncertainty in the economic activity both domestically and globally. Actual economic events and conditions may be materially different from those estimated by the Group at reporting date. In the event that Covid-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts on the Group, which the directors are currently unable to estimate or predict. Other than as disclosed above under Review of Operations and Corporate, no other matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity's activities are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for the Consolidated Entity to achieve.

Instances of environmental non-compliance by an operation are identified either by internal compliance audits or inspections by relevant government authorities.

There have been no significant known breaches by the Consolidated Entity during the financial year.

INFORMATION ON DIRECTORS AND EXECUTIVES

RICHARD ONG (AGE 63)
CHAIRMAN
APPOINTED: 24 NOVEMBER 2014 & RESIGNED 29 APRIL 2020

Experience and Expertise
Mr Ong holds a Bachelor of Science and a Bachelor of Laws. He was in legal practise in Malaysia and New South Wales. He has been involved in corporate finance work in Malaysia, Singapore and Australia for more than twenty years.

Other Current Directorships
Nil

Former Directorships in the Last Three Years
Nil

Special Responsibilities
Non-Executive Director

CHEE CHEONG (DAVID) LOW (AGE 51)
EXECUTIVE DIRECTOR
APPOINTED: 2 NOVEMBER 2015

Experience and Expertise

David Low is a CPA and was previously an investment banker in Asia for more than 10 years and had advised on various mergers and acquisitions, initial public offerings, fund raising (both debt and equity) and during the Asian Financial Crisis, corporate and debt restructuring

David Low is currently director of JCL Capital Pty Ltd, a boutique corporate advisory house specialising in cross border corporate finance activities and bridging Australia and Asia.

Other Current Directorships
Ennox Group Ltd (ASX:EXO)
VIP Gloves Ltd (ASX:VIP)

Former Directorships in the Last Three Years
None

Special Responsibilities
Executive Director

INFORMATION ON DIRECTORS AND EXECUTIVES (CONTINUED)

DATUK SIAK WEI LOW (AGE 61)
CHAIRMAN
APPOINTED: 19 SEPTEMBER 2014

Experience and Expertise
Datuk Siak Wei Low is the Chief Executive Officer of Sepangar Bay Power Corporation Sdn Bhd, an independent power producer company which owns and operates a 100MW gas-fired power plant in Sabah, Malaysia. He is also President of several companies in Indonesia and Laos which are developing hydro power projects in Northern Sumatera and Laos with a total capacity of 1,680 MW.

Datuk Siak Wei Low is a Fellow of CPA Australia and alumni member of Harvard Business School.

Other Current Directorships
None

Former Directorships in the Last Three Years
None

Special Responsibilities
Non-Executive Director

PETER NG (AGE 56)
NON-EXECUTIVE DIRECTOR
APPOINTED: 1 NOVEMBER 2014

Experience and Expertise
Mr Ng is a solicitor practising law in Melbourne. Prior to entering legal practise, Mr Ng was an Associate Director of a boutique private equity investment house specialising in managing and raising the public profiles of small and emerging companies in the mining and renewable energy sector.

Mr Ng holds a Bachelor of Economics, a Master of Business Administration, a Master of Laws and a graduate Diploma in Legal Practice.

Other Current Directorships
VIP Gloves Ltd (ASX:VIP)

Former Directorships in the Last Three Years
Nil

Special Responsibilities
Non-Executive Director

IAN GREGORY B.BUS, FGIA, FCIS, F.FIN, MAICD
COMPANY SECRETARY
APPOINTED: 21 MAY 2009

Ian Gregory has over 30 years' experience in the provision of company secretarial and business administration services to listed and unlisted companies. Companies for which Ian has acted as Company Secretary include Iluka Resources Limited, IBJ Australia Bank Limited and the Griffin Coal Mining Group of companies. He currently consults on secretarial and governance matters to a number of listed and unlisted companies. Ian is a past member and Chairman of the Western Australian Branch Council of Governance Institute of Australia (GIA) and has also served on the National Council of GIA.

DIRECTORS' INTERESTS

The directors' interests in the securities of the Company are as follows:

At the date of this report

Current directors	Ordinary shares	Options
David Low	-	-
Datuk Siak Wei Low	11,319,292	-
Peter Ng	-	-
	11,319,292	-

At the date of the previous report

Current directors	Ordinary shares	Options
Datuk Siak Wei Low	11,319,292	-
	11,319,292	-

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Number eligible to attend	Number attended	Circular Resolutions passed	Total
David Low	4	4	2	6
Datuk Siak Wei Low	4	4	2	6
Peter Ng	4	4	2	6

COMPENSATION OPTIONS: GRANTED AND VESTED

During the year there were no Options over unissued shares issued by the Company.

ADDITIONAL INFORMATION

Shares Under Option

No shares were issued during the financial year ended 30 June 2020 by virtue of the exercise of options (2019: Nil). No further shares have been issued by virtue of the exercise of options since the end of the financial year and to the date of this report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

INDEMNIFYING AND INSURING DIRECTORS, OFFICERS OR AUDITOR

Directors' and officers' liability insurance and indemnity insurance premiums paid during or since the end of the financial year for any person who is or has been an officer of the Consolidated Entity totalled $Nil (2019: $Nil). The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Consolidated Entity and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Consolidated Entity. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The auditor is not indemnified under any circumstance.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C the auditors of the Company, Moore Australia Audit (VIC), have provided a signed Auditor's Independence Declaration to the directors in relation to the year ended 30 June 2020. This declaration has been included on page 9 and forms part of this report.

Signed in accordance with a resolution of the directors.

Datuk Siak Wei Low
Chairman
11 December 2020

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF SYNGAS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

Moore Australia

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

RYAN LEEMON
Partner
Audit and Assurance

Melbourne, Victoria

11 December 2020

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated Entity 2020 $	2019 $
Revenue	2	13	39
Interest expense		(126,260)	(106,841)
Other expenses	3	(595,409)	(258,632)
LOSS BEFORE INCOME TAX (EXPENSE)/BENEFIT		(721,656)	(365,434)
Income tax (expense)/benefit	4	-	-
LOSS AFTER INCOME TAX (EXPENSE)/BENEFIT		**(721,656)**	**(365,434)**
Other comprehensive income		**-**	**-**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(721,656)**	**(365,434)**
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS			
BASIC AND DILUTED LOSS PER SHARE (CENTS PER SHARE)	5	(1.18)	(0.06)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Consolidated Entity 2020 $	2019 $
CURRENT ASSETS			
Cash and cash equivalents	7	132,708	50,478
TOTAL CURRENT ASSETS		132,708	50,478
NON-CURRENT ASSETS			
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		**132,708**	**50,478**
CURRENT LIABILITIES			
Trade and other payables	8(a)	892,720	630,094
Borrowings	8(b)	2,054,896	1,513,636
TOTAL CURRENT LIABILITIES		2,947,616	2,143,730
TOTAL LIABILITIES		2,947,616	2,143,730
NET ASSETS		**(2,814,908)**	**(2,093,252)**
EQUITY			
Contributed equity	9	35,166,571	35,166,571
Accumulated losses	6	(37,981,479)	(37,259,823)
TOTAL EQUITY		**(2,814,908)**	**(2,093,252)**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS AS AT 30 JUNE 2020

	Note	Consolidated Entity 2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers & employees		(162,757)	(134,418)
Interest received		13	39
NET CASH USED IN OPERATING ACTIVITIES	10	**(332,770)**	**(134,379)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	-
NET CASH USED IN INVESTING ACTIVITIES		**-**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		415,000	25,000
Proceeds from Share Issue		-	150,000
NET CASH FROM FINANCING ACTIVITIES		**415,000**	**175,000**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS HELD		**82,230**	**40,621**
Cash and cash equivalents at beginning of year		50,478	9,857
CASH AND CASH EQUIVALENTS AT END OF YEAR		**132,708**	**50,478**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
AT 1 JULY 2019	35,166,571	-	(37,259,823)	(2,093,252)
Loss for the year	-	-	(721,656)	(721,656)
Total comprehensive loss for the year	**-**	**-**	**(721,656)**	**(721,656)**
AT 30 JUNE 2020	**35,166,571**	**-**	**(37,981,479)**	**(2,814,908)**
AT 1 JULY 2018	35,016,571	-	(36,894,389)	(1,877,818)
Loss for the year	-	-	(365,434)	(365,434)
Total comprehensive loss for the year	**-**	**-**	**(365,434)**	**(365,434)**
Shares issued during the year	150,000	-	-	150,000
Total shares issued for the year	**150,000**	**-**	**-**	**150,000**
At 30 June 2019	35,166,571	-	(37,259,823)	(2,093,252)

The accompanying notes form part of these financial statements

NOTE A. BASIS OF PREPARATION OF THE FINANCIAL REPORT

Corporate Information
The Financial Report of Syngas Limited ACN 062 284 084 ("Parent Entity" or "Company") and its controlled entities ("Consolidated Entity" or "Group") for the year ended 30 June 2020 was authorised for issue in accordance with board of directors resolution dated 11 December 2020.

Syngas Limited is a for-profit company limited by shares incorporated in Australia. The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

Basis of Preparation of Accounts

The Financial Report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ("AASBs") and other authoritative pronouncements adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

The Financial Report has been prepared on a historical cost basis and is presented in Australian dollars.

Going concern

The consolidated Entity recorded a loss of $721,656 for the year ended 30 June 2020, net cash operating outflows of $332,770 and has net liabilities of $2,814,908 as at 30 June 2020. The Consolidated Entity's cash flow forecasts show that it will require additional funding to enable it to meet ongoing expenditure commitments for at least twelve months from the date of signing these financial statements.

The financial report has been prepared on the basis that the Consolidated Entity can continue to meet its commitments as and when they fall due and can therefore continue normal activities, including the settlement of liabilities and the realisation of assets in the ordinary course of business. In arriving at this position the directors have had regard to the fact that they are actively pursuing further funding initiatives to provide additional working capital, including identification and implementation of profitable projects, potential equity raising and have ongoing support of loan facilities in place (note 8). Directors have received permission from related party lenders to deferred settlement of all entitlements from the Company for a period of no less than 12 months or until such time the cash flow permits and is not to the detriment of other financial obligations and commitment of the Company.

Further, as detailed in note 18 "Events Subsequent to Balance Date", the Group executed an additional $1.2 million loan with a director related entity, of which $750,000 was drawn for working capital purposes during November 2020.

The directors believe that at the date of the signing of the financial statements there are reasonable grounds to believe that, having regard to the matters set out above, the Company will be able to raise sufficient funds to meet its obligations as and when they fall due and continue to proceed with the Consolidated Entity's strategic objectives beyond the currently committed expenditure. In addition, commitments have been received from Directors confirming ongoing financial support to the Company as and when it is needed, so as to enable the Company to meet its financial commitment as and when they fall due and to carry on business without constrain of operating for a period of no less than 12 months.

Should the directors not achieve the matters set out above or funding support be removed, there is significant uncertainty whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Consolidated Entity not be able to continue as a going concern.

Statement of Compliance

The Financial Report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

New accounting standards and interpretations

New or amended accounting standards and interpretations adopted

AASB 16 Leases

The Group elected to apply the recognition exemption paragraph 5(a) AASB 16 Leases "Short term leases" and as such, apply the preceding requirements of AASB 17.

a. **Financial Assets**

Syngas measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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.

Syngas subsequently measures all equity investments at fair value. Syngas has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the consolidated entity's right to receive payments is established.

For trade receivables, Syngas applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The consolidated entity has concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information. On that basis, the loss allowance as at 30 June 2019 (on adoption of AASB 9) was determined to be 0% for trade receivables.

b. **Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Syngas Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 13.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

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

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

c. **Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

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

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. **Fair Value of Assets and Liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

e. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note (h)] for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

f. **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases are short term and less than 12-months, as such are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

g. **Financial Instruments**

Accounting Policies Applied from 1 July 2018

Financial Assets

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Classification and subsequent measurement

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

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

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

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

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

The Consolidated entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a Consolidated entity of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Accounting Policies Applied until 30 June 2018

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

h. **Impairment of Assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

i. **Foreign Currency Transactions and Balances**

Functional and presentation currency

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Transactions and balances

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

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

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

j. **Employee Benefits**

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

k. **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.

l. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

m. **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

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

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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

n. **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. **Borrowing Costs**

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

p. **Goods and Services Tax (GST)**

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

r. **Comparative Figures**

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

q. **Key estimates**

In the process of applying the Consolidated Entity's accounting policies, management has made judgements, estimates and assumptions that affect the reported amounts in the financial statements. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. Directors consider there to be no material key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

NOTE 2. REVENUE, OTHER INCOME AND EXPENSES

	Consolidated Entity 2020 $	Consolidated Entity 2019 $
REVENUE		
Interest revenue	13	39
TOTAL REVENUE	13	39

NOTE 3. OTHER EXPENSES

	2020	2019
OTHER EXPENSES		
Rental expense on office	1,970	2,100
Depreciation of plant and equipment	-	101
Listed company costs	56,637	32,949
Jumbuck Project fee written off	75,000	-
Legal & Professional Fees	237,959	12,000
Employment expenses:		
Fees, wages and salaries	161,333	168,000
Other	62,510	43,482
TOTAL OTHER EXPENSES	595,409	258,632

NOTE 4. INCOME TAX

	2020	2019
The major components of income tax expense are:		
INCOME STATEMENT		
Current income tax	-	-
Current income tax benefit	-	-
INCOME TAX BENEFIT REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME	-	-
A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Consolidated Entity's applicable income tax rate is as follows:		
ACCOUNTING LOSS BEFORE INCOME TAX	(721,656)	(365,434)
At the Consolidated Entity's statutory income tax rate of 30% (2019: 30%)	216,497	109,630
Expenditure not allowable for income tax purposes		
Research and development tax concession		-
Deferred tax assets not brought to account as realisation is not considered probable	(216,497)	(109,630)
INCOME TAX BENEFIT REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME	-	-

Syngas Limited is the head entity of the Syngas Limited group, effective from 1 July 2009. The group has applied a group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. Tax balances transferred within the tax consolidated group are treated as equity transactions by the respective companies under UIG 1052 Tax Consolidation Accounting. Members of the tax consolidated group have not entered into a tax funding agreement. Hence no compensation is receivable or payable for any deferred tax asset or current tax payable (receivable) assumed by the head entity.

The Consolidated Entity does not recognise on the balance sheet deferred tax assets as it is unlikely the company will be able to meet the relevant statutory tests in order to utilise past tax losses at this point of time.

NOTE 5. LOSS PER SHARE

	Consolidated Entity 2020 $	Consolidated Entity 2019 $
Loss from continuing operations used in the calculation of basic and diluted loss per share	(721,656)	(365,434)
Loss used in the calculation of basic and diluted loss per share	(721,656)	(365,434)
Weighted average number of ordinary shares outstanding during The year used in the calculation of basic and diluted loss per share	61,019,028	610,190,288

Diluted loss per share amount for the year was the same as the basic loss per share as instruments outstanding at 30 June 2019 which are considered to be potential ordinary shares had anti-dilutive effects on the basic loss per share.

NOTE 6. ACCUMULATED LOSSES

	2020 $	2019 $
Accumulated losses at the beginning of the financial year	37,259,823	36,894,389
Net loss for the financial year	721,656	365,434
ACCUMULATED LOSSES AT THE END OF THE FINANCIAL YEAR	37,981,479	37,259,823

NOTE 7. CASH AND CASH EQUIVALENT (CURRENT)

	2020 $	2019 $
Cash at bank	132,708	50,478
TOTAL CASH AND CASH EQUIVALENT	132,708	50,478

NOTE 8(a).TRADE AND OTHER PAYABLES (CURRENT)

		Consolidated Entity 2020 $	Consolidated Entity 2019 $
Creditors and accrued expenses	(a)	892,720	630,094
AT THE END OF THE FINANCIAL YEAR		892,720	630,094

(a) Includes accrued directors' fees totalling $744,334 (2019: $591,001).
The Company has received confirmation from its director to defer payment of director's fees for at least 12 months until there is sufficient free cash flow available to the Company over and above what is required to settle ongoing financial obligations as and when they fall due.

NOTE 8(b).BORROWINGS

	2020 $	2019 $
Loan from Third Party	177,962	-
Loan from Director and Director related entity	1,876,934	1,513,636
AT THE END OF THE FINANCIAL YEAR	2,054,896	1,513,636

The Company has received confirmation from the above Director and Director related entity lenders that neither loan shall be called for 12 months unless there is sufficient free cash flow available to the Company over and above what is required to settle ongoing financial obligations as and when they fall due.

NOTE 8(b).BORROWINGS (Continued)

Loan facilities from Director and Director related entities are as follows :-

Lender	Maturity	Facility Limit	30 June 2019 Principal Owing	30 June 2020 Principal Owing	30 June 2020 Accumulated Interest	30 June 2020 Total
Datuk Siak Wei Low	12-31-2021	$700,000	$700,000	$700,000	$406,911	$1,106,911
AsiaPacific Businesslink Sdn Bhd	12-31-2021	$350,000	$350,000	$350,000	$139,055	$489,055
AsiaPacific Businesslink Sdn Bhd	12-31-2021	$400,000	$25,000	$270,000	$10,968	$280,968
AsiaPacific Businesslink Sdn Bhd	12-31-2021	$1,300,000	-	-	-	-
		$2,750,000	**$1,075,000**	**$1,320,000**	**$556,934**	**$1,876,934**

The Company also has loan facilities with a third party, Cannard Family Superannuation amounting to $170,000 which is fully drawn.

NOTE 9. CONTRIBUTED EQUITY

	2020	2019
61,144,123 (2019: 611,440,288) fully paid ordinary shares	29,296,271	29,296,271
Fully paid converting performance shares	5,870,300	5,870,300
	35,166,571	35,166,571

During the year the Company undertook a consolidation of 10 shares into 1 share which was approved at the general meeting held on 29 November 2019.

CONVERTING PERFORMANCE SHARES

At 30 June 2020, there were no unissued ordinary shares for which performance shares were outstanding (2019: nil). However the value attributed to the original shares issued is retained in Contributed Equity.

NOTE 10. CASH FLOW INFORMATION

	Consolidated Entity	
	2020	2019
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS AFTER INCOME TAX	$	$
Loss after tax	(721,656)	(365,434)
Non-cash flows in loss		
Depreciation of property, plant and equipment	-	101
Loan interest accrued	126,260	106,841
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	-	-
Increase/(decrease) in trade and other payables	262,626	124,113
NET CASH USED IN OPERATING ACTIVITIES	**(332,770)**	**(134,379)**

Credit Standby Arrangement with Banks

Credit facility	Nil	Nil
Amount Utilised	Nil	Nil

NOTE 11. KEY MANAGEMENT PERSONNEL DISCLOSURES

The names and positions of key management personnel of the Company and of the Consolidated Entity who have held office during the financial year are:

DIRECTORS

Richard Ong (appointed 24 November 2014 and resigned on 29 April 2020)

David Chee Cheong Low (appointed on 2 November 2015 and continues in office)

Datuk Siak Wei Low (appointed 19 September 2014 and continues in office)

Peter Ng (appointed 1 October 2014 and continues in office)

EXECUTIVES

Ian Gregory - Company Secretary (appointed 21 May 2009 and continues in office)

A) COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Consolidated Entity	
	2020	**2019**
	$	**$**
COMPENSATION BY CATEGORY		
Short term	161,333	168,000
Post employment	-	-
Share based payments	-	-
TOTAL	**161,333**	**168,000**

B) EQUITY TRANSACTIONS OF KEY MANAGEMENT PERSONNEL

The key management personnel shown in the following tables are those that hold shares or options in the Company.

YEAR ENDED 30 JUNE 2020

	Number of ordinary shares			
	1 July 2019	**Issued as consideration**	**Share Consolidation**	**30 June 2020**
Datuk Siak Wei Low	113,192,923	-	(101,873,531)	11,319,292
	113,192,923	**-**	**(101,873,531)**	**11,319,292**

YEAR ENDED 30 JUNE 2019

	Number of ordinary shares			
	1 July 2018	**Issued as consideration**	**Net change trading**	**30 June 2019**
Datuk Siak Wei Low	113,192,923	-	-	113,192,923
	113,192,923	**-**	**-**	**113,192,923**

NOTE 11. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

C) LOANS TO/FROM KEY MANAGEMENT PERSONNEL

There were no loans made to any key management personnel during the year ended 30 June 2020 (2019: Nil).

	2020	2019
	$	$
Directors' fee accrued (Note 8a)	744,334	591,001
Directors' related entity loan (Note 8b)	1,876,934	1,513,636
	2,621,268	2,104,637

D) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no other transactions with key management personnel and their related entities during the year ended 30 June 2020 other than that with JCL Capital Pty Ltd an entity associated with Mr David Low which has provided administration services at a cost of $1,000 per month during the year totalling $12,000 (2019: $12,000).

NOTE 12. SEGMENT INFORMATION

During the financial years ended 30 June 2020 and 30 June 2019, the Consolidated Entity was engaged in the energy sector and operated in Australia.

Management monitors the operating results of its projects separately for the purposes of making decisions about resource allocation and performance assessment.

NOTE 13. INVESTMENTS IN CONTROLLED ENTITIES

Syngas Limited was the parent and ultimate parent company of Syngas Energy Pty Ltd (formerly Syngas Energy Limited), a company incorporated in Western Australia which was dormant. Syngas Energy Pty Ltd has since been deregistered.

NOTE 14. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans from director and related entity.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Entity	
		2020	2019
		$	$
Financial assets			
Cash and cash equivalents	6	132,708	50,478
Trade and other receivables		-	-
Total financial assets		132,708	50,478
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	8(a)	892,720	630,094
– borrowings	8(b)	2,054,896	1,513,636
Total financial liabilities		2,947,616	2,143,730

NOTE 14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies

Management has been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Group. Management monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to counterparty credit risk, currency risk, liquidity risk, and interest rate risk. Management reports to the Board half yearly on the financial risk management of the Group.

Management's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk, and other price risk (equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Consolidated Entity has no significant concentration of credit risk as its financial assets comprises mainly cash which is held with one financial institution. Surplus cash is invested with Westpac Banking Corporation to mitigate any credit risk in regard to the Consolidated Entity's cash reserves.

The Group has no significant concentrations of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the Group has significant credit risk exposures to Australia given the substantial operations in Australia.

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Consolidated Entity	
	2020	**2019**
	$	**$**
Cash and cash equivalents:		
– AA rated	132,708	50,478
– A rated	-	-
	132,708	50,478

NOTE 14. FINANCIAL RISK MANAGEMENT (CONTINUED)

b. **Liquidity risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- obtaining financial support undertaking from Lender for continued support of the Company;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions;

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year		**1 to 5 Years**		**Over 5 Years**		**Total**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Consolidated Entity	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment								
Trade and other creditors	326,348	39,093	-	-	-	-	326,348	39,093
Amounts payable to related parties	744,334	591,001	-	-	-	-	744,334	591,001
Borrowings due to related parties	1,876,934	1,513,636	-	-	-	-	1,876,934	1,513,636
Total contractual outflows	2,947,616	2,143,730	-	-	-	-	2,947,616	2,143,730
Total expected outflows	2,947,616	2,143,730	-	-	-	-	2,947,616	2,143,730
Financial assets – cash flows realisable								
Cash and cash equivalents	132,708	50,478	-	-	-	-	132,708	50,478
Trade and other receivable	-	-	-	-	-	-	-	-
Total anticipated inflows	132,708	50,478	-	-	-	-	132,708	50,478
Net (outflow)/ inflow on financial instruments	132,708	50,478	-	-	-	-	132,708	50,478

The Company does not have any interest rate swaps or hedging.

NOTE 14. FINANCIAL RISK MANAGEMENT (CONTINUED)

c. **Market risk**

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments that primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents.

Interest rate risk can be managed using a mix of fixed and floating rate debt. At 30 June 2019, 100% of group debt is on fixed rate. Current borrowings interest rates are fixed at 10.25% per annum.

At the end of the reporting period, the details of outstanding loan contracts, all of which are to receive fixed interest rate, are as follows:

Consolidated Entity	Effective Average Fixed Interest Rate Payable		Notional Principal	
Maturity of notional amounts	**2020**	**2019**	**2020**	**2019**
	%	**%**	**$**	**$**
Less than 1 year	10.25	10.25	170,000	375,000
1 to 2 years	10.25	10.25	1,320,000	700,000
2 to 5 years			-	-
			1, 490,000	1,075,000

As disclosed in Note 8(b) notional maturity period are predicated on funds being available, otherwise extensions are available.

Since the interest rate of the Group's borrowings are fixed, it does not expose the Group to interest rate risk, which will impact future cash flows and interest charges.

The details of the interest bearing financial assets of the Group are as follows:-

	Notional Principal	
	2020	**2019**
	$	**$**
Cash at bank	132,708	50,478

Cash flow sensitivity analysis for variable rate instruments
A change of 50 basis points in interest rates at reporting date would have increased/(decreased) the Group's equity and profit or loss by $663 (2019: $252). The Board assessed a 50 basis point movement as being reasonably possible based on short term historical movements. This analysis assumes that all other variables remain constant

(i) *Other market price risk*

The Group is involved in the exploration and development of mining tenements for minerals. Should the Group successfully progress to a producer, revenues associated with mineral sales, and the ability to raise funds through equity and debt, will have some dependence upon commodity prices.

NOTE 14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) *Foreign exchange risk*

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which are other than the AUD functional currency of the Group.

As at 30 June 2020, the Consolidated Entity has no assets or liabilities denominated in foreign currencies (2019: Nil).

(iii) *Other market price risk*

The Group is currently seeking out opportunities in the energy sector and does not yet generate any revenue. Should the Group successfully progress to an energy producer, revenues associated with energy generation, and the ability to raise funds through equity and debt, will have some dependence upon commodity prices.

FAIR VALUES

The aggregate net fair value of the Consolidated Entity's financial assets and financial liabilities approximates their carrying amounts in the financial statements. Cash assets are carried at amounts approximating fair value because of their short term nature to maturity. Receivables and payables are carried at amounts approximating fair value. Financial assets held for trading are restated to fair value at year end.

NOTE 15. RELATED PARTY TRANSACTIONS

The Company is not controlled by any other entity.

The directors in office at 30 June 2020, and their related entities, held directly, indirectly or beneficially 11,319,292 ordinary shares in the Company (2019: 113,192,923).

Refer to Note 11(c) for disclosures of loan balances and accrued fees payable to related parties.

NOTE 16. DIVIDENDS

No dividends have been paid or proposed during the year (2019: Nil).

NOTE 17. SHARE BASED PAYMENTS

Year ended 30 June 2020

No shares were issued during the year ended 30 June 2020.

Year ended 30 June 2019

No shares were issued during the year ended 30 June 2019.

NOTE 18. EVENTS SUBSEQUENT TO BALANCE DATE

As detailed in note 8(b) "Borrowings", the Group executed a loan of $1,300,000 on 26 June 2020. $1,000,000 was drawn on this loan during July 2020. On 7 August 2020, the Group executed a loan agreement with AsiaPacific Businesslink Sdn Bhd for $1,200,000 of which $750,000 was drawn in November 2020.

The Covid-19 pandemic has created unprecedented uncertainty in the economic activity both domestically and globally. Actual economic events and conditions may be materially different from those estimated by the Group at reporting date. In the event that Covid-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts on the Group, which the directors are currently unable to estimate or predict. Other than as disclosed above under Review of Operations and Corporate, no other matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

There are no events subsequent to the financial year ended 30 June 2020 other than the termination of the proposed Acquisition of the Jumbuck Gold Project detailed in the Review of Operations and Corporate above and as disclosed in this financial statement.

NOTE 19. CONTINGENT LIABILITIES

There are no contingent liabilities at 30 June 2020 (2019: Nil) other than disclosed in Note 18.

NOTE 20. PARENT COMPANY DISCLOSURES

Financial position	**2019**	**2019**
	$	**$**
Assets		
Current assets	132,708	50,478
Non-current assets	-	-
Total assets	**132,708**	**50,478**
Liabilities		
Current liabilities	2,947,616	2,143,730
Non-current liabilities	-	-
Total liabilities	**2,947,616**	**2,143,730**
Equity		
Issued capital	35,166,571	35,166,571
Retained earnings	(37,981,479)	(37,259,823)
Total equity	**(2,814,908)**	**(2,093,252)**

Financial performance

	Year ended 30 June 2020 $	**Year ended 30 June 2019 $**
Loss for the year	(721,656)	(365,434)
Other comprehensive loss	-	-
Total comprehensive loss	**(721,656)**	**(365,434)**

The Company has not provided guarantees in relation to the debts of its subsidiaries.

NOTE 21. REMUNERATION OF AUDITOR

	Consolidated 2020 $	**Consolidated 2019 $**
During the year the following fees were paid or payable for services provided by the auditor of the Company and Consolidated Entity:		
Services		
Audit or review of financial reports (Moore Australia Audit (VIC))	22,505	21,610
Non-audit services – tax compliance	5,750	8,750
Total remuneration	**28,255**	**30,360**

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Syngas Limited ACN 062 284 084 ("Company"), I state that:

1) In the opinion of the directors:

   (a) The financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

      (i) Complying with Accounting Standards and the Corporations Regulations 2001; and

      (ii) Giving a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Consolidated Entity;

   (b) Subject to achievement of the matters set out in Note 1 to the Financial Report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

   (c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

On behalf of the board of directors.

Datuk Siak Wei Low
Chairman
11 December 2020

MOORE

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SYNGAS LIMITED AND CONTROLLED ENTITIES

Opinion

We have audited the accompanying financial report of Syngas Limited and controlled entities (the Company), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In our opinion:

a. the financial report of Syngas Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Company's financial position as at 30 June 2020 and of their performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 Company in accordance with the auditor independence requirements with Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to **Note A Going Concern** in the financial report, which indicates that the company incurred a net loss of $721,656 during the year ended 30 June 2020, a net operating cash outflow of $332,770 and, as of that date, the company's total liabilities exceeded its total assets by $2,814,908. These conditions, along with other matters set forth in Note A indicate the existence of a material uncertainty that may cast doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report of the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 Management and Those Charged with Governance for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the directors determines is necessary to enable the preparation of the financial report that 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 Company 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 Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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 on the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Moore Australia

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

RYAN LEEMON
Partner
Audit and Assurance

Melbourne, Victoria

11 December 2020