



***green invest***

Investing in Sustainability

GREEN INVEST LIMITED  
AND CONTROLLED ENTITIES  
ACN 119 031 462

ANNUAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2013

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## **CORPORATE INFORMATION**

### **GREEN INVEST LIMITED**

ACN 119 031 462

### **DIRECTORS**

Mr. Peter McCoy (Executive Chairman)

Mr. Ronald Lunt (Director)

Mr. Robert M Bell (Non-Executive Director)

Mr. Graeme S Knott (Non-Executive Director – appointed on 29 May 2012, resigned 23 August 2013)

### **COMPANY SECRETARY**

Mr. Gregor Dixon

### **REGISTERED OFFICE & PRINCIPAL PLACE OF OPERATIONS**

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### **SHARE REGISTER**

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Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067  
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### **AUDITORS**

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Level 14, 140 William Street Melbourne VIC 3000  
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### **WEBSITE ADDRESS**

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### **ASX CODE**

GNV

## Corporate Governance Statement

ASX Listing Rule 4.10.3 requires Green Invest Limited to disclose the extent to which it has followed the recommendations of the ASX Corporate Governance Council ('Council') during the financial year. There are 8 principles reported on below. Each principle includes one or more recommendations as well as a guide to reporting.

Green Invest Limited corporate governance principles and policies are structured with reference to the Corporate Governance Council's best practice recommendations as outlined in the revised ASX Corporate Governance Principles and Recommendations.

### Principle 1 – Lay solid foundations for management and oversight.

#### ***Recommendation 1.1 Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions***

The Green Invest Limited Board retains responsibility for the following items:

- Setting and monitoring objectives, goals and strategic direction for management with a view to maximising shareholder wealth
- Approving an annual budget and the monitoring of financial performance
- Ensuring adequate internal controls exist and are appropriately monitored for compliance
- Ensuring significant business risks are identified and appropriately managed
- Approving acquisitions
- Ensuring compliance with statutory requirements
- Selecting and appointing new Directors
- Maintaining the highest business standards and ethical behaviour

The Board has delegated authority within the following areas to the Executive team:

- Monitoring performance of the business
- Ensuring that the business processes in relation to risk management and assurance are met
- Approving capital expenditure (except acquisitions) within delegated authority levels

#### ***Recommendation 1.2 Companies should disclose the process for evaluating the performance of senior executives***

Executives, who have distinct responsibilities have within their employment contract, provision for the establishment of Key Performer Indicators (KPIs). Evaluation will occur against these KPIs and is performed annually.

#### ***Recommendation 1.3 Companies should provide the information indicated in the Guide to reporting Principle 1***

The Board charter is available on the Company's website and is summarised in this Corporate Governance Statement.

The Managing Director conducted a performance evaluation for senior executives in the financial year.

### Principle 2 – Structure of the Board to add value

#### ***Recommendation 2.1 The majority of the Board should be independent Directors.***

The Board of Green Invest Limited comprised three non-executive Directors (two of which are independent) and one executive director. One of the non-executive directors resigned on 23 August 2013, so that there are now only three directors in total. Due to the current small size of the Board, the Company does not have a majority of independent directors.

#### ***Recommendation 2.2 The Chair should be an independent director.***

Mr Peter McCoy is currently Executive Chairman of the Board. Mr McCoy is one of the major shareholders of the Company. Due to the current small size of the Board the Company does not have an independent chair. The Company has identified that it intends to appoint an Independent non- executive director to be Chairman as part of the restructuring it is currently undertaking.

#### ***Recommendation 2.3 The roles of the Chair and Managing Director should not be exercised by the same individual.***

Mr Peter McCoy currently performs the role of both Chair and Managing Director, as previously discussed this will change as part of the restructuring the Company is currently undertaking.

***Recommendation 2.4 The Board should establish a Nomination Committee.***

Green Invest Limited has a Nomination and Remuneration Committee. This recommendation is satisfied. However considering the small size of the Board, the responsibility of this committee is currently undertaken by the full Board.

***Recommendation 2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors***

The Company does not currently have a formal process for evaluating the performance of the board, its committees and individual directors. Post the completion of the current restructuring program the Board intends to conduct performance evaluations of the Board as a whole, its Committees, the Chairman, individual Directors, and the governance processes which support the Board's work.

***Recommendation 2.6 Companies should provide the information indicated in the Guide to reporting on Principle 2.***

Members of the Board are able to take independent professional advice at the expense of the Company.

In accordance with the information suggested in Guide to Reporting on Principle 2, the Company has disclosed full details of its Directors in the Directors' Report attached to this Annual Report including each individual's skills, experience, expertise and their term of office. Other disclosure material on the Structure of the Board has been made available on the Company's website.

**Principle 3 – Promote ethical and responsible decision making**

***Recommendation 3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to:***

- ***The practices necessary to maintain confidence in the Company's integrity***
- ***The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders***
- ***The responsibility and accountability of individuals for reporting and investigating reports of unethical practice.***

Directors, management and staff are expected to act ethically and responsibly and in accordance with the Company's Code of Conduct. All Board members are qualified professionals within their respective industries and accordingly conduct themselves in a professional and ethical manner in both their normal commercial activities and the discharge of their responsibilities as Directors.

Whenever necessary, individual members of the Board may seek independent professional advice at the expense of the Company in relation to fulfilling their duties as Directors.

Additionally, terms and conditions of employment provide detailed instructions as to the acceptable standards of behaviour.

The Company has formulated a Code of Conduct which can be viewed on the Company's website.

***Recommendation 3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.***

The company does not have a formal policy on diversity due to its relatively small size. In the absence of a formal policy on diversity, the company makes an effort to practice equality and diversity in its employment practices and employs its staff based on merit and their ability to carry out the tasks required irrespective of gender, age or cultural background.

***Recommendation 3.3 Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.***

Refer to 3.2

***Recommendation 3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.***

There are no women currently employed by the Company.

***Recommendation 3.5 Companies should provide the information indicated in the Guide to reporting on Principle 3***

In accordance with the information suggested in Guide to Reporting on Principle 3, this Corporate Governance Statement does not include a statement of the measurable objectives for achieving gender diversity and as such does not meet the best practice recommendations. However, the Board continues to make an effort to practice equality and diversity in its employment practices and employs its staff based on merit and their ability to carry out the tasks required irrespective of gender, age or cultural background.

#### **Principle 4 – Safeguard integrity of financial reporting.**

##### ***Recommendation 4.1 The Board should establish an Audit Committee.***

The Company has an Audit Committee. The primary role of the Audit is to assist the Board in fulfilling its responsibilities relating to the accounting, internal control and reporting practices of the Company and its subsidiaries. Considering the small size of the Board, this committee is currently undertaken by the full Board.

The main functions of the Audit Committee are:

- To act as a committee of the Board of Directors in discharging the Board's responsibilities as they relate to financial reporting policies and practices, accounting policies and management and internal controls
- To provide through meetings a forum for communication between the Board, senior financial management and external auditors

The responsibilities of the Audit Committee include monitoring compliance with requirements of the Corporations Act 2001, Security Exchange Listing Rules, Australian Securities and Investments Commission, taxation legislation and other laws as they apply to the subject matter of the Audit Committee's functions

##### ***Recommendation 4.2 the Audit Committee should be structured so that it:***

- ***Consists only of non-executive Directors,***
- ***Consists of a majority of independent Directors***
- ***Is chaired by an independent chair, who is not the chair of the Board***
- ***Has at least three members.***

The Audit Committee comprises of Mr Peter McCoy, Mr Ronald Lunt, and Mr Robert Bell. As noted, Mr Graeme Knott resigned as a Director of the Company on 23<sup>rd</sup> August 2013. Considering the current small size of the Board, this role is currently retained by the full Board. This recommendation is not complied with considering the size of the Company.

The Company secretary acts as the Committee secretary assisting members. The Company's external auditors are invited to attend the Committee's meetings. In addition, the Committee is able to seek and obtain input from external consultants as required.

##### ***Recommendation 4.3 The Audit Committee should have a formal operating charter.***

The Audit Committee has a formal charter which sets out the Committee's role and responsibilities, composition, structure and membership requirements. The Audit Committee is given the necessary power and resources to meet its charter.

##### ***Recommendation 4.4 companies should provide the information indicated in the Guide to reporting on Principle 4***

In accordance with the information suggested in Guide to Reporting on Principle 4, the Company has disclosed full details of its directors in the Directors' Report attached to the Annual Report including each director's qualifications, their membership of the committee, number of meetings held and attendance at Audit Committee meetings.

The members of the Audit Committee are appointed by the Board and recommendations from the committee are presented to the Board for further discussion and resolution. As outlined previously due to the small size of the Board, the role of the audit committee is currently retained by the full Board.

#### **Principle 5 – Make timely and balanced disclosure**

##### ***Recommendation 5.1 Companies should establish written policies and procedures designed to ensure compliance with ASX listing rule disclosure requirements and to ensure accountability at senior management level for that compliance and disclose those policies or a summary of those policies.***

The Board has adopted a Disclosure policy. Green Invest Limited recognises that it has a legal and moral obligation to immediately disclose to the market any information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Directors and senior management personnel of Green Invest Limited acknowledge that they each have an obligation to identify and immediately disclose information that may be regarded as material to the price or value of the Company's securities.

The Executive Chairman is authorised to make statements and representations on Green Invest Limited's behalf. The Company Secretary is responsible for overseeing and coordinating the disclosure of information to the ASX, analysts, stockbrokers, shareholders, the media and the public.

The Directors and senior management personnel must ensure that the Company Secretary is aware of all information to be presented at briefings with analysts, stockbrokers, the media and the public.

Prior to being presented, information that has not already been the subject of disclosure to the market and is not generally available to the market must be the subject of disclosure to the ASX. Only when confirmation of receipt of the disclosure and release to the market by the ASX is received may the information be presented. Such subject material will also be placed on the Company's website.

If information that would otherwise be disclosed comprises matters of supposition or is insufficiently definite to warrant disclosure, or if the effect of a disclosure on the value or price of the Company's securities is unknown, Green Invest Limited may request that the ASX grant a trading halt or suspend its securities from quotation. Management of Green Invest Limited may consult the Company's external professional advisers and the ASX in relation to whether a trading halt or suspension is required.

***Recommendation 5.2 Companies should provide the information indicated in the Guide to reporting on Principle 5***

In accordance with the information suggested in Guide to Reporting on Principle 5, the Company's Communications and Continuous disclosure policy will be made available shortly on the Company's website.

**Principle 6 – Respect the rights of shareholders**

***Recommendation 6.1 Companies should design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings and disclose their policy or a summary of that policy.***

Planned communications to shareholders are:

- The annual report is printed and distributed to shareholders free of charge to all shareholders on request. An electronic copy is also placed on the Company's website. The Board ensures that the annual report includes relevant information about the operation of the Company during the year, changes in the state of affairs of the Company and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
- The half-year report contains summarised financial information and a review of operations of the Company during the period. The half-year financial report is prepared in accordance with the requirements of Accounting standards and the Corporations Act and is lodged with the ASX;
- As part of continuous disclosure policy the Company makes an announcement of all significant transaction affecting the business of the Company and lodged it with ASX.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. The Company invites its external auditors to attend the meeting for the purpose of answering shareholders questions.

***Recommendation 6.2 Companies should provide the information indicated in the Guide to reporting on Principle 6.***

In accordance with the information suggested in Guide to Reporting on Principle 6, the Company's Communications and Continuous disclosure policy will be made available shortly on the Company's website.

**Principle 7 – Recognise and manage risk**

***Recommendation 7.1 Companies should establish policies for the oversight and management of material business risk and disclose a summary of those policies.***

The Board has responsibility for managing risk and internal control and acknowledges that risk management is a core principle of sound Corporate Governance. The financial viability, reputation and future of the Company are materially dependent on the manner in which risk is managed.

The Board's strategy covers the areas of Financial Risk, Operational Risk, Insurance and Internal Control. The Company has not appointed a Risk Management Committee due to the small size of the Board it is appropriate for the full Board to manage this area.

#### Financial Risk

The Board receives regular financial reports which measure performance and trends against budget. The reports are discussed at Board Meetings and the Chief Financial Officer answers questions posed by the Directors. Any variations from budget are highlighted, explained and evaluated. This scrutiny is appropriate to a Company of the size of Green Invest Limited. In addition to monthly financial reporting, the Company has in place policies to manage credit, foreign exchange and other business risks. The Audit Committee meet at appropriate times with the external auditor in order to fulfil its Charter.

#### Operational Risk

Projects are approved only after extensive review by highly qualified technical staff, consultants and after submissions to the Board through the Chief Executive Officer.

#### Insurance

The Board recognises the value of insurance as a risk mitigation strategy and works with a leading insurance broker to ensure that appropriate insurance cover is in place at all times. Contacts with contractors are drawn up or reviewed by solicitors prior to the Company entering into any commitment.

#### Internal Control

In a small Company, an extensive internal control system is not possible; however there is a natural control as a consequence of being small. The Board works very closely with the staff and, because the transactional volume is small, the Directors have a detailed knowledge of the working of the Company. The Directors believe the system of internal control is appropriate to the size of the Company and to its level of potential risk.

***Recommendation 7.2 The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.***

The Board works very closely with staff and, because the Company and its transactional volume is small, the Directors have a detailed knowledge of the workings of the Company. It is through the informal and formal (via scheduled Board meetings) meetings and communications of all areas of the business, that the Board is able to identify risks and non-compliance issues and to effectively ensure they are being managed.

***Recommendation 7.3 The Board should disclose whether it has received assurance from the Chief Executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks.***

This recommendation was complied with for this financial year.

***Recommendation 7.4 Companies should provide the information indicated in the Guide to reporting on Principle 7.***

A full policy will be completed during the year and as such the Company does not fully meet the best practice recommendations currently in this regard.

The Company has identified key risks within the business and has received a statement of assurance from the Managing Director and Chief Financial Officer.

### **Principle 8 – Remunerate Fairly and Responsibly**

***Recommendation 8.1 The Board should establish a Remuneration Committee.***

Green Invest Limited has a Remuneration Committee. However due to the current small size of the Board, this role is currently retained by the full Board.

***Recommendation 8.2 The remuneration committee should be structured so that it:***

- ***Consists of a majority of independent directors***
- ***Is chaired by an independent chair***
- ***Has at least three members***

Due to the current size and composition of the Board (as previously outlined) the Company does not currently meet best practice recommendations in this regard. The Company will look to address this issue as the size of the company increases.



***Recommendation 8.3 Companies should clearly distinguish the structure of non-executive Directors' remuneration from that of executive Directors and senior executives.***

Non-executive Directors are remunerated for their services from the maximum aggregate amount approved by shareholders for that purpose. Their compensation is reviewed by the Board. There are no termination benefits for non-executive Directors appointed since listing.

The executive director and senior executives are employed under consultancy arrangements. Generally, executives have an element of their remuneration at risk. The key performance Indicators (KPIs) which will entitle them to access the at risk portion of their remuneration are set at commencement of employment and will be reviewed through the annual business planning and review process.

***Recommendation 8.4 Companies should provide the information indicated in the Guide to reporting on Principle 8.***

The Remuneration Committee charter is available on the Company's website.

In accordance with the information suggested in Guide to Reporting on Principle 8, the Company has disclosed full details of its Directors in the Directors' Report attached to this Annual Report including each director's qualifications, their membership of the committees. Number of meetings held and attendance at Remuneration Committee meetings.

## Directors' Report

The Directors present their report together with the financial report of the Consolidated Entity consisting of Green Invest Limited and the entities it controlled, for the financial year ended 30 June 2013 and auditor's report thereon. This financial report has been prepared in accordance with Australian equivalents of International Financial Reporting Standards.

## Current Directors

The Directors in office at any time during or since the end of the year to the date of this report are:

|                |                        |   |
|----------------|------------------------|---|
| PETER McCOY    | Executive Chairman     | Appointed 16 March 2009                                       |
| RONALD LUNT    | Non-Executive Director | Appointed 16 February 2009                                    |
| ROBERT M BELL  | Non-Executive Director | Appointed 19 January 2011                                     |
| GRAEME S KNOTT | Non-Executive Director | Appointed 29 May 2012 (resigned 23 <sup>rd</sup> August 2013) |

## Company Secretary

### Mr Gregor Dixon

Mr Dixon was appointed as Company Secretary on 20 September, 2013 as per ASX Announcement dated 23 September, 2013.

### Mr Hemant Amin

Mr Amin was appointed as Company Secretary on 12 August 2011 and resigned on 20 September, 2013 as per ASX Announcement dated 23 September, 2013.

## Nature of Operations and Principal Activities

Green Invest Limited is the developer and owner of the Green Plumber brand the business model for which is focused on the high volume distribution and installation of environmentally friendly plumbing products in the retail and commercial markets. The model is an internationally recognised network focussed on the establishment of alternate routes to market for manufacturers, suppliers and qualified installers of environmental and sustainable products and services. Green Plumbers Inc (referred to as GPUSA) is a wholly owned subsidiary of Green Invest Limited which operates the commercialisation of the Green Invest business in the United States.

Green Invest also currently owns 26% of Envex Services Pty Ltd, one of the largest environmental commodities brokers in Australia as well as wholesale electricity broker.

## Review and Results of Operations

The Board is disappointed to report the consolidated loss of the Group for the full year period after providing for income tax amounted to \$1,340,372 (2012: \$1,687,408 ). The result should be viewed in the context of the major activities the Board has embarked on over the last 12 months:

1. The further development in the United States where Green Invest Limited (GNV) is the developer and owner of the Green Plumber commercialisation model as well as other sustainable models and associated businesses. The models are internationally recognised networks focused upon the establishment of alternate routes to market for various manufacturers, suppliers and trained licensed installers of environmental and sustainable products and services.
2. The establishment of a sustainable business model in Australia based upon an association with a leading Australian Bank, providing upgrading of Body Corporate property.
3. The development of a product line in Australia providing specialised environmental products to the community.
4. The Company has embarked upon a recapitalisation plan which comprises of the following components:

- A partially underwritten non-renounceable rights issue to all eligible shareholders, on the basis of 1 new share for every 1 share held at an issue price of \$0.02 to raise \$1.18m;
- A private placement to raise \$237,645 through the issue of 11,882,254 new shares at \$0.02 per share
- A secured debt facility from external lenders for an amount of \$200,000
- Loan facilities from lenders as follows:
  - Unsecured loans totalling \$228,000.
  - The extension of the repayment date in respect of the previously announced \$200,000 secured loan; and
- The retirement, conversion and repayment of the previously announced existing director loans

The issuance of shares in respect to certain components of this proposal is subject to shareholder approval. The company proposes to seek shareholder approval at an annual general meeting proposed to be held shortly. Full details of the proposed recapitalisation plan will be released to the ASX immediately upon the successful re-listing of GNV on the ASX.

Shareholders should note that all expenses have been applied to revenue account and no component has been capitalised. With the exception of the Envex Services Pty Ltd investment, the Company assets, at least at this stage are primarily represented by its Brands and commercial models, with considerable amounts having been expended in purchasing and developing those Brands and models. The accounts record the value of those Brands at cost less amortisation notwithstanding that the market value may be significantly higher.

This is and continues to be a difficult sector of the market. Many companies, both public and private (much larger than GNV) have failed - a result of confusing government initiatives, extreme competition and very thin margins. Against this, the Company has, with minimal capital, successfully developed its base model in the United States in particular. The Company has sought to do this whilst seeking to minimize the Company's historical reliance on the dividend stream from Envex Services. It has instead, concentrated on launching a sustainable model based upon market led economic imperatives rather than relying on Government subsidy. This model will provide the platform for its expansion in the United States in particular.

#### GPUSA

In order to gain absolute control over the Brand in the United States, GNV has purchased the USA commercialisation rights to the Green Plumber Brand. The Agreement was executed by the previous licensee Onni Inc MPMSAA, IAPMO and GNV, whereby GNV is registered in the United States as the owner of the Trademark Green Plumbers. These acquisitions resulted in Green Plumbers Inc ["GPUSA" -a wholly owned subsidiary of GNV] managing the USA commercialization aspects of the various brands. IAPMO owns the USA Training rights (as sub-licensee from MPMSAA [Master Plumbers –Australia] and operates the training program. Previously, GNV was entitled only to a royalty payment from its then licensee in the United States. This royalty payment was wholly dependent upon the performance of the principal licensee, who like many others, was facing an extreme contraction in the USA economy – accordingly uptake of the commercial aspects was slow.

During 2012 year, given its limited capital base, GNV undertook a program to seek partners in the US for roll-out of the commercial aspects of the Brands as well as its business model.

The basics of the model provide:

- To manufacturers – a unique route to market and confidence their product will be professionally installed
- To municipalities – quality product being installed by a local trained and Licensed Green Plumber. To become a licensed Green Plumber, the Plumber completes a training program conducted by IAPMO and through membership program conducted by GPUSA becomes a licensed Green Plumber which in addition to a number of other benefits, entitles the member to compete for various programs promoted by GPUSA.
- To the client – quality product and quality install with manufacturer and the individual licensed Green Plumber warranties.
- And to the Licensed Green Plumber – large scale installation programs.

As part of its strategy to attract US manufacturers to the model, in August 2012, the Company signed a joint marketing and supply agreement with Niagara Conservation Inc – one of America's largest manufacturers of toilet and other water conservation products. This agreement enabled GPUSA to partner with a local US manufacturer (in this case water conservation) to develop and promote the model through community based programs.

The GPUSA/ Niagara license provides for the joint community based Green Cities' initiative. The Green Cities trademark utilises a variation of the Green Star Alliance logo which has been incorporated in the license Agreement with Niagara.

In the case of water conservation, the impetus for the Program can be seen as a combination of a number of factors including:

- Upgrade of US domestic infrastructure where many inefficient and high water usage products are replaced by more efficient products. eg the Niagara patented Stealth toilet utilizes .8 gallons per flush as opposed the pre 1995 standard 5 gallons per flush.
- A drought in many of the Southern and Mid- West States.
- Metering where many home owners who were not previously being charged for water are now being charged
- Requirement by manufacturers and their insurance companies that install be undertaken by trained professionals
- Similar requirements by Municipalities and individual owners

Stage one of the program involves the rollout of water saving programs to various municipalities. Revenue is derived by GPUSA in the form of royalties based upon units sold and installed under the program. The royalty varies between those counties which may be regarded as GPUSA sourced and those where Niagara is the major source. Royalties are paid by Niagara which is in turn responsible for [i] product [ii] marketing to Municipal residents etc and [iii] payment to the Licensed Green Plumber Contractor. The Licensed Green Plumber contractor is responsible for installation and is required to have appropriate contractors insurance. Generally, the supply and fit out period for the Municipality or Utility is five years. GPUSA anticipates that its involvement in marketing of the projects post commitment to the Municipality will increase and adjustments will be made to the royalty program to reflect the increased input by GPUSA.

This model should be contrasted with the situation that has existed in Australia for some time, where in retrospect, programs can be seen as somewhat ad-hoc with little control to ensure quality as well as quality installation by trained professionals.

GNV is pleased to advise that the uptake has been very encouraging and most importantly the amount of capital likely to be required by GPUSA going forward is not substantial for a company of GNV's size. The rate of installs is increasing with the recently announced Cobb program currently having 2000 installs underway.

The Board sees the staffing of the GPUSA will increase in line with revenues to more effectively manage the contracts awarded and those identified as warranting further work. The company has engaged the services of Ryan Dills who will generally focus upon providing retrofit programmes to Property Management Groups, concentrating initially in the Los Angeles area and John Smith a winner of the Green Plumber of the year award based in Phoenix. His responsibilities include training and marketing of the various programmes. Jon Cruz continues as Executive President of GPUSA. Currently, the US operating costs are approximately \$40,000 per month and subject to climatic conditions currently being experienced in some parts of the States, will shortly be cash flow positive.

Since November 2013, the Company has expanded its relationships with various US manufacturers, including AET (solar hot water). The Company is also looking to expand these relationships with other US manufacturers e.g. air conditioning and solar PV, which will allow for an expanded product suite offering. Announcements will be made as negotiations are completed. The attraction to manufacturers remains the model which provides to them an alternate route-to-market with the assurance of quality install.

Shareholders will note that the product suite and hence the unit cost of product supplied and installed under the Green Plumber/ Green Cities model – with base \$250 US e.g. in stage 1 of Cobb County in Georgia with stage 2 seeing an increase to a standard \$5,000 suite by the inclusion of additional products including solar PV and air-conditioning. This is illustrated by the Sacramento program which has been separately announced by the Company. Generally the larger product suite is accompanied by a finance product sourced by Niagara and Green Plumbers. The type of finance may vary between municipalities and States. We are also beginning to see that for counties like Cobb a desire to move stage 2 of the program into higher unit value programs- e.g. solar hot water / PV / air conditioning. More recently it has become evident that in respect to the higher value projects, local Licensed Green Plumber involvement is essential which will see a renegotiation of certain royalties where this is necessary to complete the sale.

It is also apparent that given the encouraging results currently being achieved and the interest by United States based manufacturers and others in the model, that subject to appropriate advices, a restructure of the United States operations will take place. This may see license ownership and operations [excluding Australia] being carried out in the United States through a US incorporated Company. However, in the foreseeable future, GPUSA will remain a wholly owned subsidiary of GNV. It is believed that such a structure will be more attractive to United States manufacturers, investors, training programmes , municipal authorities and membership Groups. Shareholders will be kept informed as these developments proceed.

The Company would like to commend the contribution made by Jon Cruz our Executive President in the US, without his efforts this would not have been possible. He has developed a close working relationship with a number of counties and particularly with Niagara and Green Plumber members and Municipalities. GNV would also like to thank Niagara and IAPMO. IAPMO and MPMSAA have been very supportive of the model and fine tuning of the fee structure which has seen the numbers of plumbers trained by IAPMO increase very substantially since embracing the model. By way of example, at

the moment each county presentation involves local plumbers being trained as Green Plumbers by IAPMO and once trained, those plumbers are able to quote for work supplied through Green Cities.

#### GP Australia

With limited resources available in GNV, various inconsistencies in Government policies and with a focus on GPUSA the performance of the model in Australia was unfortunately disappointing with minimal revenues being generated. During the year, the Company embarked on a number of initiatives with the major one being the Green Building on line store. Although the Company has been successful in procuring a number of well recognised products at very competitive prices, the uptake at this stage has been slow.

The company will proceed with the following activities in Australia:

- Identification of manufacturers and other parties in regard to licensing of its Brands along the lines of the Niagara/ GPUSA – Green Plumbers/Green Cities programs.
- Review as to whether some aspects of the Green plumbers/ Green Cities model is transferable to Australia
- Improving communications with Industry Bodies and Contractors
- Contracting through the store with environmental and energy efficiency upgrades of several aged care and other commercial property owners
- A marketing Joint Venture offering energy savings to customers. The Company will receive ongoing revenues in the form of a proportion of the customer's energy savings.
- Identification and development of a product line providing specialised environmental products to the community.
- The establishment of a sustainable business model in Australia based upon an association with a leading Australian Bank providing upgrading of Body Corporate property coupled with development of a product line providing specialised environmental products to the community

The Board is committed to substantially reduce corporate overhead and other operating expenses, particularly in the Australian operations. The above initiatives will be undertaken using a margin or commission based structure.

#### The sustainable food proposal and associated principal fund raising

In March 2012, the Company announced its intention to establish a sustainable food division as well as advancing on development of the energy division. At the time revenues from its Brands had suffered substantially for a number of reasons Firstly, the continuing changes to Government programmes, secondly, the quality of revenues based on margins e.g. scouts/ schools program and project Felix [Energy] and thirdly, poor model membership model based upon accessing installation services from exclusive franchises.

The view was that subject to shareholder support, the proposed sustainable food business would give long term stable revenues from what is regarded as one of the major new environmentally sustainable high value protein markets coupled with state of the art know-how. Furthermore, the proposal also provided capital to fund the GPUSA operations which at that time were beginning to show encouraging signs. To achieve this objective, the Company received a funding proposal for \$5.8m which included a mixture of equity, convertible note and debt. As announced, the Company had been advised that this funding proposal has been formally approved subject to final documentation.

GNV continues to be advised of ongoing delays to the drawdown date. Given the unacceptable time delays, the Company has resolved to write off its deposit payments in the 30<sup>th</sup> June 2013 period's accounts and is reserving its rights against the Lender and the Company's agents. Accordingly the Company has abandoned the proposed establishment of a Sustainable Food Division.

#### Envex

The Company retains its 26% shareholding in Envex Services Pty Ltd. The 2013 year was a difficult one for Envex Services given uncertainty in relation to the carbon tax and additional government uncertainties. Envex Services is continually assessing its business plan and is currently assessing likely impacts of the election and examining additional revenue opportunities. Envex Services is in the early stage of expanding its business to other areas.

The GNV interest is subject to a call option by the Envex Services shareholders for \$2.1m. The industry itself is subject to a number of structural re-arrangements and in this environment, GNV has indicated interest in disposing of its interest in Envex

Services. In the meantime, it has reduced the carrying value of its investment to \$1.6m reflecting general industry uncertainty.

#### Capital raising activities

The Company has embarked upon a recapitalisation plan which comprises of the following components:

- A partially underwritten non-renounceable rights issue to all eligible shareholders, on the basis of 1 new share for every 1 share held at an issue price of \$0.02 to raise \$1.18m;
- A private placement to raise \$237,645 through the issue of 11,882,254 new shares at \$0.02 per share
- A secured debt facility from external lenders for an amount of \$200,000
- Loan facilities from lenders as follows:
  - Unsecured loans totalling \$228,000.
  - The extension of the repayment date in respect of the previously announced \$200,000 secured loan; and
- The retirement, conversion and repayment of the previously announced existing director loans

The issuance of shares in respect to certain components of this proposal is subject to shareholder approval. The company proposes to seek shareholder approval at an annual general meeting proposed to be held shortly. Full details of the proposed recapitalisation plan will be released to the ASX immediately upon the successful re-listing of GNV on the ASX.

#### Moving forward

The GNV Board intends to focus on the following areas over the next period:

- GPUSA in conjunction and its other industry partners will continue to expand its business in the USA.
- Restructure of the GPUSA and its licenses to make the GNV and GPUSA more attractive to US investors, manufacturers and municipalities.
- Where appropriate, adapting certain elements the USA business model to the Australian market with the support of local industry partners.
- Identification and development of a product line providing specialised environmental products to the community.
- The establishment of a sustainable business model in Australia based upon an association with a leading Australian Bank providing upgrading of Body Corporate property coupled with development of a product line providing specialised environmental products to the community
- Ensuring that both its USA and Australian businesses are properly capitalized.
- Reduction in liabilities to be undertaken in the context of capital raising initiatives , longer term borrowing facilities and improved cash flows
- Restructure of the finance department in Australia and USA
- Substantial reduction on Australian Corporate and Operational overhead as well as professional fees.

The Board believes that the value of its models, whilst not currently reflected in the Company's statement of financial position, will be further enhanced as GPUSA moves into a strong earnings phase in association with the Green Cities and other USA based programs.

#### **Significant changes in the state of affairs**

There were no significant changes in the Group's state of affairs that occurred during the twelve months ended 30 June 2013.

#### **Subsequent Events**

The Company has embarked upon a recapitalisation plan which comprises of the following components:

- A partially underwritten non-renounceable rights issue to all eligible shareholders, on the basis of 1 new share for every 1 share held at an issue price of \$0.02 to raise \$1.18m;
- A private placement to raise \$237,645 through the issue of 11,882,254 new shares at \$0.02 per share
- A secured debt facility from external lenders for an amount of \$200,000
- Loan facilities from lenders as follows:
  - Unsecured loans totalling \$228,000.
  - The extension of the repayment date in respect of the previously announced \$200,000 secured loan; and
- The retirement, conversion and repayment of the previously announced existing director loans

The issuance of shares in respect to certain components of this proposal is subject to shareholder approval. The company proposes to seek shareholder approval at an annual general meeting proposed to be held shortly. Full details of the proposed recapitalisation plan will be released to the ASX immediately upon the successful re-listing of GNV on the ASX.

Green Plumbers International Pty Ltd (GPI), a wholly owned subsidiary of Green Invest Limited agreed to the appointment of a liquidator on 9 April 2014.

### **Likely Developments**

Disclosure of information regarding likely developments in the operations of the Consolidated Entity in future financial years has been made in part in the Director's Report on pages 10 to 15. Any further such disclosure and the expected results of those operations are likely to result in unreasonable prejudice to the Consolidated Entity and have accordingly not been disclosed in this report.

### **Environmental Regulation and Performance**

The economic entity's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation. However, the Directors believe that the economic entity has 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 to the economic entity.

### **Dividends**

No dividend has been declared by the Directors for this financial year.

### **Share Issues**

Details of shares issued are contained in Note 17 to the financial statements.

### **Share Options**

The Company did not grant any new options over unissued ordinary shares in the Company and there are no options over unissued share capital at the date of this report.

### **Indemnification and Insurance of Directors and Officers**

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all executive officers of the Company and of any related body corporate against a liability incurred as a Director, Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium as required by section 300(9) of the Corporations Act 2001.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as an officer or auditor.

### **Proceedings on Behalf of the Consolidated Entity**

As at the date of this report an update on matters is as follows:

1. GNV has settled and paid the legal dispute with the liquidator of BBS for \$100,000.
2. The Company was in litigation with Filippo and Associates [ a Company associated with John Filippo, a former director of the Company] the dispute relates to quantum of fees sought to be charged in respect to alleged services provided to the Company. The matter has been settled and settlement amount and costs associated have been fully included in the accounts of the Company.
3. Green Plumbers International Pty Ltd (GPI), a wholly owned subsidiary of Green Invest Limited has been unable to reach a satisfactory payment schedule with Mike Treloar Apparel in respect to certain items of Green Plumber apparel, apparently ordered by GPI [or its predecessor]. As a result GNV has withdrawn funding to GPI and has consented to GPI

having a liquidator appointed to its affairs. GNV is hopeful that satisfactory arrangements will be made shortly to enable GNV to take delivery of the apparel which will be utilised in the GPUSA business. GNV is hopeful that a number of other ancillary disputes will be settled contemporaneously.

No other person has applied for leave of the Court to bring proceedings on behalf of the Consolidated Entity.

#### **Information on Directors and Company Secretary**

The qualifications, experience and special responsibilities of each person who has been a director of Green Invest Limited at any time during or since the end of the financial year is provided below, together with details of the Company Secretary as at the year end.

Peter McCoy  
*Llb /B.Juris*  
Appointed 16 March 2009

Executive Chairman (from 1 October 2011)

Peter was Chairman and Non Executive Director up to 30 September 2011.

Member of the Audit and Nomination and Remuneration Committees.

Peter McCoy was admitted to practice as a solicitor in 1976 and joined the firm Clemens Lucas & Co in 1976 (Partner from 1979 to 1981). Peter continued in private practice until 1996. During that period he specialised in property, banking and more recently was responsible for the establishment of a number of overseas funded private investment syndicates with investments in real estate [public and private], agricultural/aquaculture activities, mining [public and private] and finance sectors.

In 1996 he retired from practice to concentrate on the investment projects both local and international.

No other Directorships of listed companies were held by Mr McCoy at any time during the three years prior to 30 June 2013.

Ronald Lunt  
*BSc*  
Appointed 16 February 2009

Non Executive Director (from 16 December 2011)

Ron was Executive Director and Acting Chief Executive Officer of the company up until 15 December 2011.

Member of the Audit and Nomination and Remuneration Committees.

Ron Lunt has 15 years experience in the Information Technology industry, in both IT security and enterprise management. He is a former director of Senetas Corporation Limited.

No other Directorships of listed companies were held by Mr Lunt at any time during the three years prior to 30 June 2013.

Robert M Bell  
*BSc*  
Appointed 19 January 2011

Non-Executive Director

Member of the Audit and Nomination and Remuneration Committees.

Robert Bell, a geologist with 30 plus years of experience and has worked on projects in Australia, New Guinea and USA. Robert is currently a non-executive director of Planet Gas Ltd (director since October 2007) and Cerro Resources NL (director since August 2009).

Graeme S Knott  
*B.Bus, CA*  
Appointed 29 May 2012,resigned  
23<sup>rd</sup> August 2013

Non-Executive Director

Member of the Audit Committee and Nomination and Remuneration Committees

Graeme has extensive knowledge and experience in all aspects of accounting, taxation, and business services. He is a senior partner of Knott & Associates Chartered Accountants and has been a fellow of the Institute of Chartered Accountants in Australia since 1972. Graeme has been a Director of private companies and has extensive commercial and financial experience spanning over the last 30 years where he has acted as an advisor and accountant to various substantial private business groups.



Graeme is also a former Board member of the Hawthorn Football Club.

Company Secretary  
Gregor Dixon  
B Bus, BA, FSIA, ACIS  
Appointed 20 September 2013

Gregor has over 18 years of business experience in various ASX Listed companies, and has held various senior management and corporate roles with Babcock & Brown Communities Group, Primelife Corporation Ltd, AWB Ltd, WMC Ltd and Crown Ltd.

### Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director while they were a Director or committee member.

|  | Board of Directors |          | Nomination and Remuneration Committee * |          |
|--|--------------------|----------|---|----------|
|  | Eligible to attend | Attended | Eligible to attend                      | Attended |
| Peter McCoy                            | 8                  | 8        | -                                       | -        |
| Ron Lunt                               | 8                  | 8        | -                                       | -        |
| Robert M Bell                          | 7                  | 7        | -                                       | -        |
| Graeme S Knott<br>(resigned 23/8/2013) | 4                  | 4        | -                                       | -        |

\* Considering the small size of the Company, the responsibility of these committees is currently undertaken by the full Board throughout the year.

### Directors' Interests in Shares or Options

The following table sets out each current Director's relevant interest in shares and options in shares of the Company as at the date of this report.

| Directors                              | Fully Paid Ordinary Shares (Direct) | Fully Paid Ordinary Shares (Indirect) | Options over Ordinary Shares (Direct) | Options over Ordinary Shares (Indirect) |
|--|-------------------------------------|---------------------------------------|---------------------------------------|---|
| Peter McCoy                            | 2,229,733                           | 884,833                               | -                                     | -                                       |
| Ronald Lunt                            | 9,804,592                           | -                                     | -                                     | -                                       |
| Robert M Bell                          | -                                   | 10,295,437                            | -                                     | -                                       |
| Graeme S Knott<br>(resigned 23/8/2013) | -                                   | -                                     | -                                     | -                                       |

### Directors' Interests in Contracts

Directors' interests in contracts are disclosed in note 26 to the financial statements.

### Auditor Independence and Non-Audit Services

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report on page 24.

## Directors' Report (continued)

### Non-Audit Services

Non-audit services are approved by resolution of the Audit Committee and approval is provided in writing to the Board of Directors. The Company's auditors (BDO) provided non-audit services, which are detailed below. The Directors are satisfied that the provision of the non-audit services by the auditor was compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid or payable by the parent Company for non-audit services provided during the year by the auditors to any entity that is part of the Consolidated Entity for:

| Non-Audit Services                          | Consolidated |              |
|---|--------------|--------------|
|   | 2013<br>(\$) | 2012<br>(\$) |
| Tax compliance and other assurance services | 10,000       | 12,500       |

### REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for Directors and executives of Green Invest Limited.

#### Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and executives.

To that end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholder value;
- A portion of executive remuneration is at risk, dependent upon meeting predetermined performance benchmarks; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

The Nomination and Remuneration Committee is responsible for determining and reviewing compensation arrangements for the Directors, and the senior management team. The committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

#### Remuneration Structure

In line with best practice corporate governance, the structure of non-executive director, executive director and senior manager remuneration is separate and distinct.

#### Senior Management and Executive Director Remuneration

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

The executive remuneration program is designed to support the Company's reward philosophies and to underpin the Company's growth strategy. The program comprises the following components:

- Fixed remuneration component; and
- Variable remuneration component including short term incentives and long term incentives.

**Directors' Report (continued)**  
**REMUNERATION REPORT (Audited) (continued)**

**Senior Management and Executive Director Remuneration (continued)**

*Fixed Remuneration*

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

*Variable Remuneration – Short Term Incentive (STI)*

The objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Company is reasonable. On a quarterly basis, after consideration of performance against KPIs, the Board approves an overall performance rating for the Company. The individual performance of each executive is also rated and taken into account when determining the amount, if any, of the short term incentive pool allocated to each executive. The aggregate of annual STI payments available for executives across the Company are usually delivered in the form of a cash bonus. The Board in conjunction with the Remuneration and Nomination Committee also have the discretion to reward an Executive or Directors participation in ad-hoc projects or activities.

*Variable Remuneration - Long Term Incentive (LTI)*

The objective of the LTI plan is to reward senior managers in a manner, which aligns this element of remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against relevant long term performance hurdles. LTI grants to executives are delivered in the form of options or shares. No LTI were granted in the 2013 financial year. (2012: nil)

**Contract of Employment**

There is no formal contract of employment for the executives of the Company. Whilst there is no formal contract of employment, standard employment conditions apply.

**Relationship between Remuneration Policy And Company Performances**

Remuneration paid to key management personnel (KMP) has been set at a level to attract and retain appropriately skilled persons. All executive Directors and KMP receive base fees. Performance based bonuses are not currently paid by the Group to KMP. No cash bonus was paid to Directors in the 2013 financial year (2012: \$100,000) for the reason set out above. No options in the equity instruments were issued in 2013 financial year to the directors (2012: nil).

The overall level of KMP's compensation takes into account the performance of the Consolidated Entity since listing on the ASX. As a result, the level of compensation has not increased since listing but has reduced significantly due to the reduction in the number of KMP employed over these periods. The remuneration for executive Directors and KMP is currently not linked to the Consolidated Entity's financial performance or share price.

**Voting and comments made at the company's 2012 Annual General Meeting (AGM)**

The company received 80.19% of 'for' votes in relation to its remuneration report for the year ended 30 June 2012. The resolution to adopt the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2012 was carried as an ordinary resolution. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Directors' Report (continued)**  
**REMUNERATION REPORT (Audited) (continued)**

**Details of Remuneration**

The KMP of Green Invest Limited includes the Directors and other key management personnel of the entity as follows:

|                   |   |
|-------------------|---|
| Mr Peter McCoy    | Executive Chairman                                  |
| Mr Ronald Lunt    | Non-Executive Director                              |
| Mr Robert M Bell  | Non-Executive Director                              |
| Mr Graeme S Knott | Non-Executive Director (resigned on 23 August 2013) |
| Mr Gregor Dixon   | Chief Operating Officer and Company Secretary       |
| Mr Hemant Amin    | Chief Financial Officer and Company Secretary       |

There are no KMP other than those disclosed above.

| 2013 Directors   | Short Term Benefits |                 |                   | Post Employment      | Share Based Payments *** | Share Based Payments *** | Total          | Performance Related |          |
|------------------|---------------------|-----------------|-------------------|----------------------|--------------------------|--------------------------|----------------|---------------------|----------|
|                  | Salary & Fees (\$)  | Cash bonus (\$) | Non-monetary (\$) | Super-annuation (\$) | Shares (\$)              | Options (\$)             | (\$)           | Bonus %             | Shares % |
| Peter McCoy      | 240,000             | -               | -                 | -                    | -                        | -                        | 240,000        | -                   | -        |
| Ronald Lunt +    | -                   | -               | -                 | -                    | -                        | -                        | -              | -                   | -        |
| Robert M Bell +  | -                   | -               | -                 | -                    | -                        | -                        | -              | -                   | -        |
| Graeme S Knott + | -                   | -               | -                 | -                    | -                        | -                        | -              | -                   | -        |
| <b>Total</b>     | <b>240,000</b>      | <b>-</b>        | <b>-</b>          | <b>-</b>             | <b>-</b>                 | <b>-</b>                 | <b>240,000</b> | <b>-</b>            | <b>-</b> |

+ No fees were paid or payable for this period to M/S Ronald Lunt, Robert M Bell and Graeme S Knott.

| 2012 Directors   | Short Term Benefits |                 |                   | Post Employment      | Share Based Payments *** |              | Total          | Performance Related |          |
|------------------|---------------------|-----------------|-------------------|----------------------|--------------------------|--------------|----------------|---------------------|----------|
|                  | Salary & Fees (\$)  | Cash bonus (\$) | Non-monetary (\$) | Super-annuation (\$) | Shares (\$)              | options (\$) | (\$)           | Bonus %             | Shares % |
| Peter McCoy *    | 225,000             | 50,000          | -                 | -                    | -                        | -            | 275,000        | 18%                 | -        |
| Ronald Lunt **   | 134,000             | 50,000          | -                 | -                    | -                        | -            | 184,000        | 27%                 | -        |
| Robert M Bell    | 20,833              | -               | -                 | -                    | -                        | -            | 20,833         | -                   | -        |
| Graeme S Knott + | -                   | -               | -                 | -                    | -                        | -            | -              | -                   | -        |
| <b>Total</b>     | <b>379,833</b>      | <b>100,000</b>  | <b>-</b>          | <b>-</b>             | <b>-</b>                 | <b>-</b>     | <b>479,833</b> | <b>-</b>            | <b>-</b> |

\* Peter McCoy became an Executive Chairman effective from 1 October 2011, prior to that he was paid as Non-Executive Chairman of the Company, change in the remuneration for Peter McCoy was approved by the board.

\*\* Ronald Lunt became Non-Executive Director effective from 16 December 2011, prior to that he was paid as an Executive Director of the Company, change in the remuneration for Ronald Lunt was approved by the board.

# Cash bonus was paid to Peter McCoy and Ronald Lunt on settlement of tranche 1 equity investment in Envex Services Pty Ltd, this payment was approved by the board.

+ Graeme S Knott was appointed on 29 May 2012 and resigned on 23 August 2013 and no fees were paid or payable for this period.

## Directors' Report (continued)

### REMUNERATION REPORT (Audited) (continued)

| 2013 Executives | Short Term Benefits |                 |                   | Post Employment      | Share Based Payments | Total          | Performance Related |          |
|-----------------|---------------------|-----------------|-------------------|----------------------|----------------------|----------------|---------------------|----------|
|                 | Salary & Fees (\$)  | Cash bonus (\$) | Non-monetary (\$) | Super-annuation (\$) | Shares/options (\$)  | (\$)           | Bonus %             | Shares % |
| Gregor Dixon    | 195,000             | -               | -                 | -                    | -                    | 195,000        | -                   | -        |
| Hemant Amin     | 95,000              | -               | -                 | -                    | -                    | 95,000         | -                   | -        |
| <b>Total</b>    | <b>290,000</b>      | <b>-</b>        | <b>-</b>          | <b>-</b>             | <b>-</b>             | <b>290,000</b> | <b>-</b>            | <b>-</b> |

| 2012 Executives | Short Term Benefits |                 |                   | Post Employment      | Share Based Payments | Total          | Performance Related |          |
|-----------------|---------------------|-----------------|-------------------|----------------------|----------------------|----------------|---------------------|----------|
|                 | Salary & Fees (\$)  | Cash bonus (\$) | Non-monetary (\$) | Super-annuation (\$) | Shares/options (\$)  | (\$)           | Bonus %             | Shares % |
| Gregor Dixon +  | 124,390             | -               | -                 | -                    | -                    | 124,390        | -                   | -        |
| Hemant Amin ++  | 89,405              | -               | -                 | -                    | -                    | 89,405         | -                   | -        |
| Frank Dunell ** | 56,297              | -               | -                 | -                    | -                    | 56,297         | -                   | -        |
| Michael Kirby*  | 22,267              | -               | -                 | -                    | -                    | 22,267         | -                   | -        |
| <b>Total</b>    | <b>292,359</b>      | <b>-</b>        | <b>-</b>          | <b>-</b>             | <b>-</b>             | <b>292,359</b> | <b>-</b>            | <b>-</b> |

+ Gregor Dixon appointed on 1 September 2011

++ Hemant Amin appointed on 12 August 2011

\* Michael Kirby resigned on 12 August 2011

\*\* Frank Dunell resigned on 15 November 2011

| Compensation by Category       | Consolidated Entity |                |
|--------------------------------|---------------------|----------------|
|                                | 2013                | 2012           |
| Short-term employment benefits | \$ 530,000          | \$ 672,192     |
| Post employment benefits       | -                   | -              |
| Cash bonus                     | -                   | 100,000        |
| <b>Total</b>                   | <b>530,000</b>      | <b>772,192</b> |

### Terms of Employment Contracts

There is no contract of employment with the Executive Chairman, Mr Peter McCoy (refer to comments made under Contract of Employment). All key management personnel were retained as consultants and rate of their fees were approved by directors in advance of services being provided. The company is currently in the process of reviewing and documenting new agreements which is expected to be completed by the end of the 2014 calendar year.

### KMP Equity Transactions

No options or other equity instruments were granted to any directors or other KMPs of the Company during the 2013 financial year (2012: nil).

**Directors' Report (continued)**

Signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in dark ink, appearing to read 'Peter McCoy', with a stylized flourish at the end.

Mr. Peter McCoy  
Chairman  
27 August 2014



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AUSTRALIA

## DECLARATION OF INDEPENDENCE BY ALEX SWANSSON TO THE DIRECTORS OF GREEN INVEST LIMITED

As lead auditor of Green Invest Limited for the year ended 30 June 2013, 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 Green Invest Limited and the entities it controlled during the period.

Alex Swansson  
Partner

**BDO East Coast Partnership**

Melbourne 27 August 2014



**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
**ACN 119 031 462**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 June 2013**

|  | Notes | 2013<br>\$         | 2012<br>\$         |
|--|-------|--------------------|--------------------|
| Revenue  | 4     | 218,016            | 1,271,159          |
| Other Income   | 4     | 809,214            | 234,956            |
|  |       | <b>1,027,230</b>   | <b>1,506,115</b>   |
| Cost of services   | 5     | (91,475)           | (993,257)          |
| Employee benefits expenses   | 5     | (384,603)          | (734,457)          |
| Professional fees  |       | (529,149)          | (371,648)          |
| Occupancy expenses   |       | (102,362)          | (95,339)           |
| Consultancy Services   |       | (564,701)          | (591,776)          |
| Administrative expenses  |       | (57,462)           | (152,132)          |
| Travel expenses  |       | (63,805)           | (82,079)           |
| Finance costs  | 5     | (45,102)           | (1,775)            |
| Depreciation and amortisation expenses   | 5     | (71,054)           | (90,519)           |
| Impairment of available for sale asset   |       | (200,145)          | -                  |
| Other expenses   |       | (257,746)          | (80,541)           |
|  |       | <b>(2,367,602)</b> | <b>(3,193,523)</b> |
| Loss before income tax expense from continuing operations  |       | (1,340,372)        | (1,687,408)        |
| Income tax benefit   | 6     | -                  | -                  |
| <b>Loss after income tax expense for the year</b>  |       | <b>(1,340,372)</b> | <b>(1,687,408)</b> |
| Other comprehensive income   |       | -                  | -                  |
| <b>Total comprehensive income for the year</b>   |       | <b>(1,340,372)</b> | <b>(1,687,408)</b> |
| <b>Total comprehensive income for the year attributable to the members of Green Invest Limited</b> |       | <b>(1,340,372)</b> | <b>(1,687,408)</b> |
| Basic earnings from continuing operations per share  | 23    | (\$0.02)           | (\$0.032)          |
| Diluted earnings from continuing operations per share  | 23    | (\$0.02)           | (\$0.032)          |
| Basic earnings per share   | 23    | (\$0.02)           | (\$0.032)          |
| Diluted earnings per share   | 23    | (\$0.02)           | (\$0.032)          |

The accompanying notes form part of these financial statements.



**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
**ACN 119 031 462**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 June 2013**

|  | <b>Notes</b> | <b>2013</b><br><b>\$</b> | <b>2012</b><br><b>\$</b> |
|--|--------------|--------------------------|--------------------------|
| <b>Current assets</b>                          |              |                          |                          |
| Cash and cash equivalents                      | 7            | 166,415                  | 346,635                  |
| Trade and other receivables                    | 8            | 8,759                    | 127,226                  |
| Other assets                                   | 9            | 720                      | 131,786                  |
|  |              | <u>175,895</u>           | <u>605,647</u>           |
| Non-current assets classified as held for sale | 12           | 1,600,000                | 1,800,145                |
| <b>Total Current Assets</b>                    |              | <b><u>1,775,895</u></b>  | <b><u>2,405,792</u></b>  |
| <b>NON-CURRENT ASSETS</b>                      |              |                          |                          |
| Plant and equipment                            | 10           | 36,980                   | 67,853                   |
| Intangible assets                              | 11           | 256,610                  | 296,790                  |
| <b>TOTAL NON-CURRENT ASSETS</b>                |              | <b><u>293,590</u></b>    | <b><u>364,643</u></b>    |
| <b>TOTAL ASSETS</b>                            |              | <b><u>2,069,485</u></b>  | <b><u>2,770,435</u></b>  |
| <b>CURRENT LIABILITIES</b>                     |              |                          |                          |
| Trade and other payables                       | 13           | 1,534,195                | 1,677,215                |
| Interest Bearing Liabilities                   | 14           | 474,894                  | -                        |
| Provisions                                     | 15           | 1,683                    | 1,683                    |
| Other  | 16           | 5,000                    | 11,611                   |
| <b>TOTAL CURRENT LIABILITIES</b>               |              | <b><u>2,015,772</u></b>  | <b><u>1,690,509</u></b>  |
| <b>NON-CURRENT LIABILITIES</b>                 |              |                          |                          |
| Provisions                                     | 15           | 6,253                    | 6,253                    |
| <b>TOTAL NON-CURRENT LIABILITIES</b>           |              | <b><u>6,253</u></b>      | <b><u>6,253</u></b>      |
| <b>TOTAL LIABILITIES</b>                       |              | <b><u>2,022,025</u></b>  | <b><u>1,696,762</u></b>  |
| <b>NET ASSETS</b>                              |              | <b><u>47,460</u></b>     | <b><u>1,073,673</u></b>  |
| <b>EQUITY</b>                                  |              |                          |                          |
| Contributed equity                             | 17           | 9,715,796                | 9,401,637                |
| Reserve  | 18           | -                        | 55,457                   |
| Accumulated losses                             | 19           | (9,668,336)              | (8,383,421)              |
| <b>TOTAL EQUITY</b>                            |              | <b><u>47,460</u></b>     | <b><u>1,073,673</u></b>  |

The accompanying notes form part of these financial statements.

**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
**ACN 119 031 462**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 June 2013**

|  | <b>30 June 2013</b>        |                                     |                               |                  |
|--|----------------------------|-------------------------------------|-------------------------------|------------------|
|  | <b>Ordinary<br/>Shares</b> | <b>Share<br/>Option<br/>Reserve</b> | <b>Accumulated<br/>losses</b> | <b>Total</b>     |
| Opening Balance                                      | 9,401,637                  | 55,457                              | (8,383,421)                   | 1,073,673        |
| Total Comprehensive Income for the year              | -                          | -                                   | (1,340,372)                   | (1,340,372)      |
| Transfers between reserves                           | -                          | (55,457)                            | 55,457                        | -                |
|  | <b>9,401,637</b>           | <b>-</b>                            | <b>(9,668,336)</b>            | <b>(266,699)</b> |
| Transactions with owners in their capacity as owners |                            |                                     |                               |                  |
| Shares issued (Refer Note 17)                        | 314,159                    | -                                   | -                             | 314,159          |
| <b>Closing Balance</b>                               | <b>9,715,796</b>           | <b>-</b>                            | <b>(9,668,336)</b>            | <b>47,460</b>    |

|  | <b>30 June 2012</b>        |                                     |                               |                  |
|--|----------------------------|-------------------------------------|-------------------------------|------------------|
|  | <b>Ordinary<br/>Shares</b> | <b>Share<br/>Option<br/>Reserve</b> | <b>Accumulated<br/>losses</b> | <b>Total</b>     |
| Opening Balance                                      | 9,304,137                  | 55,457                              | (6,696,013)                   | 2,663,581        |
| Total Comprehensive Income for the year              | -                          | -                                   | (1,687,408)                   | (1,687,408)      |
|  | <b>9,304,137</b>           | <b>55,457</b>                       | <b>(8,383,421)</b>            | <b>976,173</b>   |
| Transactions with owners in their capacity as owners |                            |                                     |                               |                  |
| Shares issued (Refer Note 17)                        | 97,500                     | -                                   | -                             | 97,500           |
| <b>Closing Balance</b>                               | <b>9,401,637</b>           | <b>55,457</b>                       | <b>(8,383,421)</b>            | <b>1,073,673</b> |

The accompanying notes form part of these financial statements.

**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
**ACN 119 031 462**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 June 2013**

|   | <b>Notes</b> | <b>2013</b><br><b>\$</b> | <b>2012</b><br><b>\$</b> |
|---|--------------|--------------------------|--------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                  |              |                          |                          |
| Receipts from customers                                     |              | 549,922                  | 1,224,756                |
| Payments to suppliers and employees                         |              | (1,623,593)              | (2,200,971)              |
| Interest received   |              | 1,423                    | 6,839                    |
| Dividend received   |              | 153,076                  | 144,356                  |
| Borrowing costs   |              | -                        | (1,775)                  |
| <b>Net cash used in operating activities</b>                | <b>20(a)</b> | <b>(919,172)</b>         | <b>(826,795)</b>         |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                  |              |                          |                          |
| Payments for plant and equipment                            |              | -                        | (43,995)                 |
| Proceeds from sale of investments                           |              | -                        | 1,100,000                |
| Deposit paid for the proposed acquisition of business       |              | -                        | (89,751)                 |
| <b>Net cash provided by investing activities</b>            |              | <b>-</b>                 | <b>966,254</b>           |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                  |              |                          |                          |
| Proceeds from share issue                                   |              | 314,159                  | 97,500                   |
| Proceeds from borrowings                                    |              | 394,294                  | -                        |
| Loan from Directors   |              | 35,500                   | -                        |
| Repayment of non interest bearing loan                      |              | (5000)                   | -                        |
| <b>Net cash provided by financing activities</b>            |              | <b>738,953</b>           | <b>97,500</b>            |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |              | <b>(180,219)</b>         | <b>236,959</b>           |
| Cash and cash equivalents at beginning of year              |              | 346,635                  | 109,676                  |
| <b>Cash and cash equivalents at end of the year</b>         | <b>20(b)</b> | <b>166,415</b>           | <b>346,635</b>           |

The accompanying notes form part of these financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover Green Invest Limited and its controlled entities ("Consolidated Entity"). Green Invest Limited is a Company limited by shares, incorporated and domiciled in Australia. The presentation currency is Australian Dollars. Green Invest Limited is the parent entity. The principal activities of the Company are set out on page 14 of the financial report.

Separate financial statements for Green Invest Limited as an individual entity are no longer prescribed as a consequence of a change in the Corporations Act 2001, however limited financial information for Green Invest Limited as an individual entity is included in Note 21.

#### Basis of preparation of the financial statements

##### *Compliance with IFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with Australian equivalent International Financial Reporting Standards ensures the Consolidated Entity's financial statements are in compliance with International Financial Reporting Standards (IFRSs).

##### *Historical Cost Convention*

The financial statements have been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Green Invest Limited is a for profit entity for the purpose of preparing these financial statements

The financial statements were authorised for issue by the Directors as at the date of the Directors' declaration.

The following is a summary of material accounting policies adopted by the Consolidated Entity in the preparation and presentation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

#### a) Going Concern

For the year ended 30 June 2013 the consolidated entity (group) has incurred a loss of \$1,340,372 (2012: \$1,687,408) and negative cash outflows from operating activities of \$919,172 and net current liabilities of \$239,877. The directors have reviewed the position and believe that a number of funding opportunities will be able to be developed to provide future funds. These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

The financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business. To this end, the consolidated entity is expecting to fund ongoing obligations as follows:

- Cash flow projections prepared by management for the period of 12 months from the date of this report, support positive cash flows after the inclusion of approximately \$1.8 million of funding from a combination of a partially underwritten rights issue, private placement and secured debt facilities (agreements for all of which have been executed).
- The retirement, conversion and deferred repayment of existing director loans totalling \$1,025,015 via executed Director Loan Deeds.
- The ability to adhere to agreed payment plans with its creditors in relation to outstanding amounts of \$838,169. The company's intention is to repay the creditors from the proceeds from capital raisings and the sale of the company's assets. The directors confirm that no legal action has been taken against the consolidated entity by these creditors.
- Improved cash flows from operational activities, principally the Green Plumbers USA business and the contractual arrangements with Niagara in regards to several Green Cities and other utility programs which will provide positive cash flows to the parent entity.

The matters above form part of the company's recapitalisation plans as outlined in note 30, events after balance date. The directors are satisfied this plan adequately addresses the conditions highlighted above.

If the consolidated entity is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial report. The report does not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they become due and payable.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**b) Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Green Invest Limited at the end of the reporting period. A controlled entity is any entity over which Green Invest Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 26 to the financial statements.

In preparing the consolidated financial statements, all inter-Group balances and transactions between entities in the consolidated Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

**c) Revenue Recognition**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Revenue from the provision of services to customers is recognised upon delivery of the service to the customer. Deferred income is recognised for the unearned portion.

Revenue from membership fees is received in advance and brought to account over the period the membership services are provided. Deferred income is recognized for the unearned portion.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

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

**d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks maturing within 2 months.

**e) Investments in Associates**

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for in the consolidated financial statements using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associates.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

#### *Non current assets held for sale*

Non-current investments are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

#### **f) Plant and equipment**

##### *Cost*

All classes of plant and equipment are stated at cost less depreciation and any accumulated impairment losses.

##### *Depreciation*

The depreciable amounts of all other fixed assets are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use.

The useful lives for each class of asset are:

|                                   | 2013       | 2012       |
|-----------------------------------|------------|------------|
| Office equipment:                 | 4- 5 years | 4- 5 years |
| Furniture, fixtures and fittings: | 5 years    | 5 years    |
| Software:                         | 3 years    | 3 years    |

#### **g) Leases**

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

Finance leases are capitalised by recording 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 expenses 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, where substantially all the risks and benefits remain with the lessor, are charged 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 life of the lease term.

#### **h) Intangibles**

##### **Goodwill**

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest; and
- (iii) the acquisition date fair value of any previously held equity interest, over the acquisition date fair value of net identifiable assets acquired.

Under the full goodwill method, the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash generating units or Groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

**Trademarks**

Trademarks represent the amortised value of the trademarks. Trademarks are amortised over the lower of remaining life of the trademark or 10 years.

**i) 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 consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities 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 to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

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 and intangible assets with indefinite lives.

**j) 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.

**k) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**l) Income Tax**

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities and assets are therefore measured at the amounts expected to be paid to or 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 directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, 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, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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.

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 cannot 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 a legally enforceable right of set-off exists, 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.

Green Invest Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated Group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

#### m) Employee Benefits

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

#### *Share-based payments*

The Group operates an employee share scheme. The fair value of the shares is ascertained by reference to the market bid price at date of issue.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an expense when the employees become entitled to the shares. Options are expensed over the vesting period by reference to the fair value of the options at grant date. The fair value of options at grant date is determined using a Black-Scholes option pricing model.

#### n) Financial Instruments

##### *Recognition and initial 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 Company 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.



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Classification and subsequent measurement**

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- d. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through 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 value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities 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 either 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 value 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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

#### *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.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

#### *iv. Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be 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.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature or to be disposed off within 12 months after the end of the reporting period.

#### *v. Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### **Impairment**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

#### **o) Foreign Currencies**

##### ***Functional and presentation currency***

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

#### **p) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

#### **q) New , Revised or Amending Accounting Standards Adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory. The adoption of these has had no material impact on the financial report.

#### **r) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the Group is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 31 December 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010-7 may have a significant impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement).

- AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the Group's financial statements.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group's financial statements.

- AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 July 2013).

This Standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

This Standard is not expected to significantly impact the Group's financial report as a whole because:

–

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
- AASB 2011–4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011–4.
- AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to the presentation and disclosure of defined benefit plans, including:

- removal of the “corridor” approach from AASB 119, thereby requiring entities to recognise all changes in a net defined benefit liability/(asset) when they occur; and
- disaggregation of changes in a net defined benefit liability/(asset) into service cost, net interest expense and remeasurements and recognition of:
  - (i) service cost and net interest expense in profit or loss; and
  - (ii) remeasurements in other comprehensive income.

AASB 119 (September 2011) also includes changes to the criteria for determining when termination benefits should be recognised as an obligation.

- AASB 2012–2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012–2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position.

This Standard is not expected to significantly impact the Group’s financial statements.

- AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Group’s financial statements.

- AASB 2012–5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009–2011 Cycle by the International Accounting Standards Board, including:

- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: Presentation of Financial Statements and AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;
- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: Members’ Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and

**NOTES TO THE FINANCIAL STATEMENTS**

- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

These changes are not expected to significantly impact the Group's financial statements.

**NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified impairment testing of intangible assets and assessment of fair value less cost to sell of non-current assets held for sale as a critical accounting judgment. Management does not consider there to be any other significant estimates or assumptions made or significant accounting judgments.

**In relation to Impairment Testing of Trademarks**

The carrying amount of Trademarks has been assessed for impairment indicators in accordance with AASB 136 "Impairment of Assets" as at 30 June 2013. The Board is of the opinion that that there is no impairment of trademarks as at 30 June 2013.

**Investment in Envex Services Pty Ltd**

On 14 October 2011 the company sold 23% equity in Envex Services Pty Ltd and balance of its holdings (26%) in Envex Services Pty Ltd is subject to call option expiring on 1 October 2014. The directors are seeking to dispose of this investment and are of the opinion that the carrying value of the investment of \$1,600,000 is (26% equity interest in Envex Services Pty Ltd) is not less than its realisable value less cost to sell. Due to evidence of the likely value to be obtained for the asset obtained during the sale process, an allowance for impairment of this asset of \$200,145 has been made in the 30 June 2013 financial year.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: FINANCIAL RISK MANAGEMENT**

The Board of Directors has overall responsibility for identifying and managing operational and financial risks. The management of these risks will support the achievement of the Group's financial and business targets.

The Group's financial instruments consist mainly of deposits with banks, which results in liquidity risk and credit risks. The Group has no material exposure to currency risk or equity price risk.

**Market risk**

The Group's exposure to general market risk relates to the many factors that can influence the markets in which it participates such as government policy, technological change and retail sentiment. The Group has moved to minimise this risk through diversification in products and services

**Interest rate risk**

The Group's exposure to market interest relates primarily to the Group's cash balances. The balances of cash assets are disclosed at note 7.

Cash on deposit attracts a weighted average effective interest rate of 0.11% (2012 0.11%). The Company's exposure to interest risk at 30 June 2013 is not material.

**Credit risk**

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount net of any impairment provisions on these assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not have any material credit risk exposure to any single receivable or Group of receivables under financial instruments entered into by the Group.

**Liquidity risk**

The Group manages liquidity risk by forecasting and monitoring cash flows on a continuing basis taking into account past performance, current activities and planned future initiatives. Historically, the Group has financed its operations from capital raisings and cash flows from operations. The Group will continue to seek to raise money from capital raisings in the future and utilise cash flows from the disposal of its investment in Envex Services Pty Ltd to assist with current working capital requirements, debt repayment program and growth plans.

**Maturity analysis**

The table below represents the undiscounted contractual settlement terms for financial instruments and managements expectation for settlement of undiscounted maturities.

|                             | < 6 Months     | 6 – 12 months | Total contractual cash flows | Carrying amount |
|-----------------------------|----------------|---------------|------------------------------|-----------------|
| Year ended 30 June 2013     | \$             | \$            | \$                           | \$              |
| Cash and cash equivalents   | 166,416        | -             | 166,416                      | 166,416         |
| Trade and other receivables | 9,749          | -             | 9,749                        | 9,749           |
| Investment held for sale +  | 1,600,000      | -             | 1,600,000                    | 1,600,000       |
| Trade and other payables ** | (1,534,195)    | -             | (1,534,195)                  | (1,534,195)     |
| Interest bearing loans      | (474,894)      | -             | (474,894)                    | (474,894)       |
| Other liabilities           | (5,000)        | -             | (5,000)                      | (5,000)         |
| <b>Net maturities</b>       | <b>238,194</b> | <b>-</b>      | <b>238,194</b>               | <b>238,194</b>  |

+ Investment held for sale, the directors are seeking to dispose of this investment during the 30 June 2013 financial year.

\*\* Trade and other payables, refer to note 13 for more information

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

|                             | < 6 Months     | 6 – 12 months | Total contractual cash flows | Carrying amount |
|-----------------------------|----------------|---------------|------------------------------|-----------------|
| Year ended 30 June 2012     | \$             | \$            | \$                           | \$              |
| Cash and cash equivalents   | 346,635        | -             | 346,635                      | 346,635         |
| Trade and other receivables | 127,226        | -             | 127,226                      | 127,226         |
| Investment held for sale    | 1,800,145      | -             | 1,800,145                    | 1,800,145       |
| Trade and other payables ** | (1,677,215)    | -             | (1,677,215)                  | (1,677,215)     |
| Other liabilities **        | (11,611)       | -             | (11,611)                     | (11,611)        |
| <b>Net maturities</b>       | <b>585,180</b> | <b>-</b>      | <b>585,180</b>               | <b>585,180</b>  |

\*\* Accounts payable and other liabilities are due within normal payments terms of 30 to 60 days other than where the company has entered into a repayment plan for certain liabilities to the Australian Taxation Office. All accounts payable due within six months.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

(a) Interest Rate Risk

The Consolidated Entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, at the balance date, are as follows:

| Financial Instruments              | Floating interest rate | Fixed interest rate maturing in: |          |          |                   |          |          |                   |          |                  |                  |                  |                  | Total carrying amount as per Statement of Financial Position |      | Weighted average effective interest rate |  |
|------------------------------------|------------------------|----------------------------------|----------|----------|-------------------|----------|----------|-------------------|----------|------------------|------------------|------------------|------------------|--|------|--|--|
|                                    |                        | 1 year or less                   |          |          | Over 1 to 5 years |          |          | More than 5 years |          |                  |                  |                  |                  |  |      |  |  |
|                                    |                        | 2013                             | 2012     |          | 2013              | 2012     |          | 2013              | 2012     |                  | 2013             | 2012             |                  |  |      |  |  |
|                                    | \$                     | \$                               | \$       | \$       | \$                | \$       | \$       | \$                | \$       | \$               | \$               | \$               | \$               | %  | %    |  |  |
| (i) Financial assets               |                        |                                  |          |          |                   |          |          |                   |          |                  |                  |                  |                  |  |      |  |  |
| Cash                               | 166,416                | 346,635                          | -        | -        | -                 | -        | -        | -                 | -        | -                | -                | 166,416          | 346,635          | 0.11   | 0.11 |  |  |
| Trade and other receivables        | -                      | -                                | -        | -        | -                 | -        | -        | -                 | -        | 9,479            | 127,226          | 9,479            | 127,226          | -  | -    |  |  |
| Investment held for sale           | -                      | -                                | -        | -        | -                 | -        | -        | -                 | -        | 1,600,000        | 1,800,145        | 1,600,000        | 1,800,145        | -  | -    |  |  |
| <b>Total financial assets</b>      | <b>166,416</b>         | <b>346,635</b>                   | <b>-</b> | <b>-</b> | <b>-</b>          | <b>-</b> | <b>-</b> | <b>-</b>          | <b>-</b> | <b>1,609,479</b> | <b>1,927,371</b> | <b>1,775,895</b> | <b>2,274,006</b> |  |      |  |  |
| (ii) Financial liabilities         |                        |                                  |          |          |                   |          |          |                   |          |                  |                  |                  |                  |  |      |  |  |
| Trade and other creditors          | -                      | -                                | -        | -        | -                 | -        | -        | -                 | -        | 1,534,195        | 1,677,215        | 1,534,195        | 1,677,215        | -  | -    |  |  |
| Interest bearing loans             |                        |                                  |          |          |                   |          |          |                   |          | 474,894          |                  | 474,894          |                  |  |      |  |  |
| Other liabilities                  | -                      | -                                | -        | -        | -                 | -        | -        | -                 | -        | 5,000            | 11,611           | 5,000            | 11,611           | -  | -    |  |  |
| <b>Total financial liabilities</b> | <b>-</b>               | <b>-</b>                         | <b>-</b> | <b>-</b> | <b>-</b>          | <b>-</b> | <b>-</b> | <b>-</b>          | <b>-</b> | <b>2,014,089</b> | <b>1,688,826</b> | <b>2,014,089</b> | <b>1,688,826</b> |  |      |  |  |

i. Fair values

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the Statement of Financial Position and Notes to the financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: FINANCIAL RISK MANAGEMENT (continued)**

**Risk exposures and responses**

**Interest rate risk**

The Group constantly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The Group's exposure to variable interest rates is solely in respect to its cash balances as its only interest rate liability is in respect of convertible notes which are based on a fixed rate of interest. In the opinion of the Directors, no reasonable change in variable interest rates would have a material effect upon the Group's profit and cash flows.

|  | Notes | 2013<br>\$              | 2012<br>\$              |
|--|-------|-------------------------|-------------------------|
| <b>NOTE 4: REVENUE</b>                     |       |                         |                         |
| <b>Revenues from continuing operations</b> |       |                         |                         |
| Revenue from services                      |       | 218,016                 | 1,271,159               |
|  |       | <u>218,016</u>          | <u>1,271,159</u>        |
| <i>Other Income</i>                        |       |                         |                         |
| Interest – Other                           |       | 1,423                   | 6,839                   |
| Dividend income                            |       | 153,076                 | 144,356                 |
| Profit on sale of investment               |       | -                       | 12,960                  |
| Gain on Settlement of BBS Liability        |       | 572,342                 | -                       |
| Other income                               |       | 82,373                  | 70,801                  |
|  |       | <u>809,214</u>          | <u>234,956</u>          |
|  |       | <u><b>1,027,230</b></u> | <u><b>1,506,115</b></u> |

**NOTE 5: LOSS FROM CONTINUING OPERATIONS**

Loss from continuing operations before income tax has been determined after the following specific expenses:

|   |    |               |                |
|---|----|---------------|----------------|
| Cost of services                                    |    | <u>91,475</u> | <u>993,257</u> |
| Employee benefits expense                           |    | 384,603       | 734,457        |
| Depreciation and amortisation of non-current assets |    |               |                |
| Office equipment                                    | 10 | 16,984        | 28,492         |
| Furniture, fixtures and fittings                    | 10 | 4,410         | 8,415          |
| Software  | 10 | 9,479         | 15,291         |
| Amortisation of trademarks                          | 11 | 40,180        | 38,321         |
|   |    | <u>71,054</u> | <u>90,519</u>  |
| Total depreciation of non-current assets            |    |               |                |
| Impairment in value of investment held for sale     |    | 200,145       | -              |
| Finance costs expensed                              |    | 45,102        | 1,775          |
| Operating lease rentals                             |    | 96,057        | 90,157         |

**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

|      | 2013 | 2012 |
|------|------|------|
| Note | \$   | \$   |

**NOTE 6: INCOME TAX**

**(a) The components of tax expense:**

|                                   |          |          |
|-----------------------------------|----------|----------|
| Current tax                       | -        | -        |
| <b>Total Income tax (benefit)</b> | <b>-</b> | <b>-</b> |

**(b) The prima facie tax, on loss differs from the income tax provided in the financial statements as follows:**

|  |                    |                    |
|--|--------------------|--------------------|
| Loss before tax from continuing operations                                   | (1,340,372)        | (1,687,408)        |
| <b>Total loss before income tax</b>  | <b>(1,340,372)</b> | <b>(1,687,408)</b> |
| At the statutory income tax rate of 30% (2012: 30%)                          | (402,114)          | (506,223)          |
| Tax effect of amounts which are not deductible in calculating taxable income |                    |                    |
| Entertainment  | 5,706              | 15,624             |
| Other non-deductible expenses  | 155,377            | 81,282             |
| Deferred liabilities not brought to account                                  | (17,281)           | (65,078)           |
| Tax losses not brought to account  | 258,312            | 474,395            |
|  | 402,114            | 506,223            |
| <b>Income tax benefit</b>  | <b>-</b>           | <b>-</b>           |

**(c) Deferred tax assets not brought to account**

The benefits of deferred tax assets not brought to account will only be realised if the conditions in Note 1(l) occur.

|  |                  |                  |
|--|------------------|------------------|
| Deferred tax asset - Timing differences      | 17,281           | 65,078           |
| Deferred tax asset - Unrecognised tax losses | 1,210,278        | 1,142,038        |
|  | <b>1,227,559</b> | <b>1,207,116</b> |

The extent of tax losses available to the company has been identified above. However, a deferred tax asset in respect of tax losses has not been accounted for as an asset in the financial statements as the realisation of the benefit is not probable. Further, the above losses are subject to further review by the consolidated entity to determine the extent of their availability and to determine if they satisfy the necessary legislative requirements under income tax legislation for the carry forward and recoupment of tax losses. This review is expected to be completed following the lodgement of these accounts. In addition, the tax losses identified above may not be able to be recovered in future taxable income earnings years as the recoverability of the tax losses is dependent on the company meeting the continuity of ownership test or same business test to enable all or part of the losses to be utilised.

**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

|  | Notes | 2013 | 2012 |
|--|-------|------|------|
|  |       | \$   | \$   |

**NOTE 6: INCOME TAX (continued)**

**(d) Franking credit balance**

Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and after deducting franking credits to be used in payment of proposed dividends

|         |         |
|---------|---------|
| 187,151 | 187,151 |
|---------|---------|

**NOTE 7: CASH AND CASH EQUIVALENTS**

|                 |                |                |
|-----------------|----------------|----------------|
| Cash at bank    | 134,382        | 315,948        |
| Cash on deposit | 32,034         | 30,687         |
|                 | <b>166,416</b> | <b>346,635</b> |

**NOTE 8: TRADE AND OTHER RECEIVABLES**

**CURRENT**

|                                       |              |                |
|---------------------------------------|--------------|----------------|
| Trade receivables                     | 13,937       | 47,909         |
| Provision for Impairment              | (6,649)      | (16,739)       |
|                                       | 7,288        | 31,170         |
| Other debtors (Including GST Credits) | 1,471        | -              |
| Related party receivables – Directors | -            | 96,056         |
|                                       | <b>8,759</b> | <b>127,226</b> |

Trade receivables ageing analysis at 30 June is:

|   | Gross<br>2013<br>\$ | Impairment<br>2013<br>\$ | Gross<br>2012<br>\$ | Impairment<br>2012<br>\$ |
|---|---------------------|--------------------------|---------------------|--------------------------|
| Trade receivables are non-interest bearing and generally receivable on 30 to 60 day terms. The ageing analysis is as follows: |                     |                          |                     |                          |
| Not past due  | 7,288               | -                        | 20,702              | -                        |
| Past due 31-90 days   | -                   | -                        | -                   | -                        |
| Past due more than 91 days  | 6,649               | (6,649)                  | 27,207              | (16,739)                 |
|   | <b>13,937</b>       | <b>(6,649)</b>           | <b>47,909</b>       | <b>(16,739)</b>          |

Movement in the provision for impairment of receivables is as follows:

|                        |              |               |
|------------------------|--------------|---------------|
| Balance at July 1      | 16,739       | 40,660        |
| Increase in provisions | -            | (23,921)      |
| Amounts written off    | (10,090)     | -             |
| Balance at 30 June is: | <b>6,649</b> | <b>16,739</b> |

**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

|  | Notes | 2013                 | 2012                 |
|--|-------|----------------------|----------------------|
|  |       | \$                   | \$                   |
| <b>NOTE 9: OTHER CURRENT ASSETS</b>            |       |                      |                      |
| Prepayments and other assets                   |       | -                    | 41,315               |
| Deposits                                       |       | 720                  | 720                  |
| Deposit paid - option to acquire Eco-Fish Land |       | -                    | 89,751               |
|  |       | <u>720</u>           | <u>131,786</u>       |
| <b>NOTE 10: PLANT AND EQUIPMENT</b>            |       |                      |                      |
|  |       | 2013                 | 2012                 |
|  |       | \$                   | \$                   |
| <b>Office equipment</b>                        |       |                      |                      |
| At cost  |       | 135,964              | 135,964              |
| Accumulated depreciation                       |       | (123,648)            | (106,664)            |
|  |       | <u>12,316</u>        | <u>29,300</u>        |
| <b>Furniture, fixtures and fittings</b>        |       |                      |                      |
| At cost  |       | 38,102               | 38,102               |
| Accumulated depreciation                       |       | (15,273)             | (10,863)             |
|  |       | <u>22,829</u>        | <u>27,239</u>        |
| <b>Software</b>                                |       |                      |                      |
| At cost  |       | 51,685               | 51,685               |
| Accumulated depreciation                       |       | (49,850)             | (40,371)             |
|  |       | <u>1,835</u>         | <u>11,314</u>        |
| <b>Total plant and equipment</b>               |       | <u><b>36,980</b></u> | <u><b>67,853</b></u> |

**Reconciliation**

Reconciliation of carrying amount of Plant and Equipment at the beginning and end of the year

**Office equipment**

|                                |               |               |
|--------------------------------|---------------|---------------|
| Carrying amount at 1 July 2012 | 29,300        | 42,451        |
| Additions                      | -             | 15,341        |
| Depreciation expense           | (16,984)      | (28,492)      |
| Carrying amount at 30 June     | <u>12,316</u> | <u>29,300</u> |

NOTES TO THE FINANCIAL STATEMENTS

|   | Notes         |               |
|---|---------------|---------------|
|   | 2013          | 2012          |
|   | \$            | \$            |
| <b>Furniture, fixtures and fittings</b>   |               |               |
| Carrying amount at 1 July   | 27,239        | 7,000         |
| Additions   | -             | 28,654        |
| Depreciation expense  | (4,410)       | (8,415)       |
| Carrying amount at 30 June  | 22,829        | 27,239        |
| <b>Software</b>   |               |               |
| Carrying amount at 1 July   | 11,314        | 26,605        |
| Depreciation expense  | (9,479)       | (15,291)      |
| Carrying amount at 30 June  | 1,835         | 11,314        |
| <b>Total plant and equipment</b>  | <b>36,980</b> | <b>67,853</b> |
| <b>NOTE 11: INTANGIBLES</b>   |               |               |
| Trademarks- at cost   | 256,610       | 296,790       |
| <b>Reconciliation</b>   |               |               |
| Reconciliations of the carrying amounts of trademarks at the beginning and end of the current financial year. |               |               |
| Opening net book amount   | 296,790       | 335,111       |
| Amortisation  | (40,180)      | (38,321)      |
| Closing net book value  | 256,610       | 296,790       |

\* Trademarks are amortised over the lower of the remaining life of the trademark or 10 years.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12: ASSETS HELD FOR SALE**

| <b>Investee</b>        | <b>Principal Activities</b>                              | <b>2013</b> | <b>2012</b> |
|------------------------|--|-------------|-------------|
|                        |  | <b>%</b>    | <b>%</b>    |
| Envex Services Pty Ltd | Financial services relating to energy trading activities | <b>26</b>   | <b>26</b>   |

On 14 October 2011, the company sold 23% equity in Envex and remaining 26% equity is subject to call option contract for a value of \$2.1 million, this call option will expire on 1 October 2014.

The directors were seeking to dispose of this investment and consequently the remaining 26% equity interest held by the Company is classified as non-current assets held for sale and not equity accounted at 30 June 2013.

This investment is classified as held for sale; therefore the Company only recognises dividend income as received from Envex Services Pty Ltd.

**Carrying value of Investment in Envex Services Pty Ltd:**

**Current:**

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Assets held for sale: |                  |                  |
| 26% equity in Envex   | 1,600,000        | 1,800,145        |
|                       | <b>1,600,000</b> | <b>1,800,145</b> |

The directors are of the opinion that the carrying value of the investment of \$1,600,000 is (26% equity interest in Envex Services Pty Ltd) not less than its fair value less cost to sell. Due to evidence of the likely value to be obtained for the asset obtained during the sale process, an allowance for impairment of this asset of \$200,145 has been made in the 30 June 2013 financial year.

|   | <b>Notes</b> | <b>2013</b>      | <b>2012</b>      |
|---|--------------|------------------|------------------|
|   |              | <b>\$</b>        | <b>\$</b>        |
| <b>NOTE 13 TRADE AND OTHER PAYABLES</b> |              |                  |                  |
| <b>CURRENT:</b>                         |              |                  |                  |
| Trade payables                          |              | 1,292,991        | 520,105          |
| Payable related to Solar PV (BBS)       | (a)          | 100,000          | 672,342          |
| Payable to Envex Services Pty Ltd       |              | 136,889          | 443,181          |
| Other payables                          |              | 4,315            | 41,587           |
|   |              | <b>1,534,195</b> | <b>1,677,215</b> |

- a) As reported in the subsequent event section, the Company has settled its dispute with Beyond Building Group Pty Ltd (in liquidation) which resulted in a write back of approximately \$550,000 in the yearly accounts, as well as the settlement of a number of legal issues in particular the Filippo matter.

**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

|  | Notes | 2013 | 2012 |
|--|-------|------|------|
|  |       | \$   | \$   |

**NOTE 14: INTEREST BEARING LOANS**

**CURRENT**

|                     |  |                |          |
|---------------------|--|----------------|----------|
| Loan from Directors |  | 439,394        | -        |
| Loan from Directors |  | 35,500         | -        |
|                     |  | <b>474,894</b> | <b>-</b> |

**NOTE 15: PROVISIONS**

**CURRENT**

|                   |  |       |       |
|-------------------|--|-------|-------|
| Employee benefits |  | 1,683 | 1,683 |
|-------------------|--|-------|-------|

**NON-CURRENT**

|                   |  |       |       |
|-------------------|--|-------|-------|
| Employee benefits |  | 6,253 | 6,253 |
|-------------------|--|-------|-------|

|  |  |              |              |
|--|--|--------------|--------------|
| <b>Aggregate employee benefits liability</b> |  | <b>7,936</b> | <b>7,936</b> |
|--|--|--------------|--------------|

**NOTE 16: OTHER CURRENT LIABILITIES**

**CURRENT**

|                            |  |              |               |
|----------------------------|--|--------------|---------------|
| Deferred income            |  | -            | 1,611         |
| Non Interest Bearing Loans |  | 5,000        | 10,000        |
|                            |  | <b>5,000</b> | <b>11,611</b> |

**NOTE 17: CONTRIBUTED EQUITY**

**(a) Issued and paid up capital**

Balance at the beginning of the year 59,440,995 (2012:  
53,187,822) ordinary shares fully paid

17(b)

|  |                  |                  |
|--|------------------|------------------|
|  | 9,715,796        | 9,304,137        |
|  | <b>9,715,796</b> | <b>9,401,637</b> |

Fully paid ordinary shares carry one vote per share and carry  
the right to dividends

**(b) Movements in shares on issue**

|                                 | Parent Equity     |                  | Parent Equity     |                  |
|---------------------------------|-------------------|------------------|-------------------|------------------|
|                                 | 2013              |                  | 2012              |                  |
|                                 | No of Shares      | \$               | No of Shares      | \$               |
| Beginning of the financial year | 53,187,822        | 9,401,637        | 51,687,822        | 9,304,137        |
| – Share issued during the year  | 6,253,173         | 316,159          | 1,500,000         | 97,500           |
| – Share issue transaction costs | -                 | (2,000)          | -                 | -                |
| End of the financial year       | <b>59,440,995</b> | <b>9,715,796</b> | <b>53,187,822</b> | <b>9,401,637</b> |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17: CONTRIBUTED EQUITY (Cont'd)

**Options**

No options to subscribe for ordinary fully paid shares were issued during the financial year ended 30 June 2013 nor are there any options to subscribe for ordinary fully paid shares on issue.

**(b) Capital management**

Management aims to control the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

Management also monitor capital through the gearing ratio (net debt to total equity).

The Group is not subject to any externally imposed capital requirements.

**NOTE 18: RESERVES**

Share-based payment reserve

|  | 2013<br>\$ | 2012<br>\$    |
|--|------------|---------------|
|  | -          | 55,457        |
|  | -          | <b>55,457</b> |

The reserve is used to record the value of equity benefit provided to employees and directors as part of their remuneration.

**Movements in reserve**

Balance at beginning of year

Transfers between reserves

Balance at end of the year

|  |          |               |
|--|----------|---------------|
|  | 55,457   | 55,457        |
|  | (55,457) | -             |
|  | -        | <b>55,457</b> |



**NOTES TO THE FINANCIAL STATEMENTS**

|  | 2013<br>\$         | 2012<br>\$         |
|--|--------------------|--------------------|
| <b>NOTE 19: ACCUMULATED LOSSES</b>                       |                    |                    |
| Balance at the beginning of year                         | (8,383,421)        | (6,696,013)        |
| Net loss attributable to members of Green Invest Limited | (1,340,372)        | (1,687,408)        |
| Total available for appropriation                        | (9,723,793)        | (8,383,421)        |
| Transfers between reserves                               | 55,457             | -                  |
| Balance at end of year                                   | <b>(9,668,336)</b> | <b>(8,383,421)</b> |

**NOTE 20: CASH FLOW INFORMATION**

**(a) Reconciliation of the loss after tax to the net cash flows from operations**

|                       |             |             |
|-----------------------|-------------|-------------|
| Loss after income tax | (1,340,372) | (1,687,408) |
|-----------------------|-------------|-------------|

**Non-Cash Items**

|  |           |          |
|--|-----------|----------|
| Depreciation and amortisation –continuing operations | 71,054    | 90,519   |
| Envex Write Down                                     | 200,145   | -        |
| Gain from Reversal of Provision                      | (572,342) | -        |
| Finance costs  | 45,102    | 1,775    |
| Loss/(Profit) on disposal of investment              | -         | (12,960) |

**Changes in assets and liabilities**

|   |                  |                  |
|---|------------------|------------------|
| (Increase)/Decrease in receivables              | 118,467          | 91,332           |
| Increase/(Decrease) in other assets             | 131,066          | 47,132           |
| Increase/(Decrease) in trade and other payables | 429,321          | 822,178          |
| Increase/(Decrease) in deferred income          | (1,611)          | (165,917)        |
| Increase in employee provisions                 | -                | (11,671)         |
| Net cash outflow from operating activities      | <b>(919,172)</b> | <b>(826,795)</b> |

**(b) Reconciliation of cash**

Cash balance comprises:

|                      |                |                |
|----------------------|----------------|----------------|
| – Cash at bank       | 134,382        | 315,948        |
| – Cash on deposit    | 32,033         | 30,687         |
| Closing cash balance | <b>166,416</b> | <b>346,635</b> |

**(c) Credit stand-by arrangement and loan facilities**

The Group does not have any standby credit arrangements or loan facilities.

**(d) Non cash financing and investing activities.**

During the year, the Group did not have any non-cash financing or investing activities.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 21: PARENT ENTITY**

The Parent Entity is Green Invest Limited which acts as a holding Company for investments in a number of wholly owned subsidiaries. Green Invest Limited also provides management services to those subsidiary businesses for which they are charged as services provided an inter-company allocation of Green Invest Limited expenses.

**PARENT ENTITY**

|   | <b>2013</b>      | <b>2012</b>    |
|---|------------------|----------------|
|   | <b>\$</b>        | <b>\$</b>      |
| Current assets  | 1,475,259        | 2,171,652      |
| Total assets  | 1,508,724        | 2,226,404      |
| Current liabilities   | 1,714,008        | 1,458,843      |
| Total liabilities   | 1,720,261        | 1,465,096      |
| Net assets  | <b>(211,537)</b> | <b>761,308</b> |
| Share capital   | 9,715,796        | 9,401,637      |
| Share based payment reserves                                | -                | 55,457         |
| Accumulated losses  | (9,927,333)      | (8,695,786)    |
| Total equity  | <b>(211,537)</b> | <b>761,308</b> |
| Loss for the year   | (1,287,004)      | (1,657,583)    |
| Total comprehensive loss for the year                       | (1,287,004)      | (1,657,583)    |
| Guarantees provided   | 30,806           | -              |
| Contingencies   | -                | -              |
| Commitments *   | 92,418           | 249,489        |
| Other significant or material detail relating to the parent | -                | -              |

\* Commitments include rental leases for offices at 461 Bourke Street Melbourne and equipment leases.

**NOTES TO THE FINANCIAL STATEMENTS**

**Notes**

| 2013 | 2012 |
|------|------|
| \$   | \$   |

**NOTE 22: COMMITMENTS AND CONTINGENCIES**

**Lease expenditure commitments**

Operating leases (non cancellable):

Leasing arrangement: Lease of office premises

Minimum lease payments

|   |        |         |
|---|--------|---------|
| – Not later than one year                           | 92,418 | 101,385 |
| – Later than one year and not later than five years | -      | 148,104 |

|  |        |         |
|--|--------|---------|
| Aggregate lease expenditure contracted for at reporting date | 92,418 | 249,489 |
|--|--------|---------|

**NOTE 23: EARNINGS PER SHARE**

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

| 2013 | 2012 |
|------|------|
| \$   | \$   |

|  |             |             |
|--|-------------|-------------|
| Net (loss) after income tax expense for the year | (1,340,373) | (1,687,408) |
|--|-------------|-------------|

| 2013         | 2012         |
|--------------|--------------|
| No of Shares | No of Shares |

|   |            |            |
|---|------------|------------|
| Weighted average number of ordinary shares used in calculating basic earnings per share | 55,334,653 | 51,687,822 |
|---|------------|------------|

**NOTES TO THE FINANCIAL STATEMENTS**

|   | Notes | 2013<br>\$    | 2012<br>\$    |
|---|-------|---------------|---------------|
| <b>NOTE 24: AUDITOR'S REMUNERATION</b>  |       |               |               |
| Amounts received or due and receivable by the Auditors for<br>An audit or review of the financial report of the entity and<br>any other entity in the Consolidated Entity |       | 75,010        | 69,000        |
| Non -audit services:  |       |               |               |
| - Tax and compliance services   |       | 10,000        | 5,000         |
| - Other assurance services  |       | -             | 7,500         |
|   |       | <b>85,010</b> | <b>81,500</b> |

**NOTE 25: INTEREST OF KEY MANAGEMENT PERSONNEL**

**Remuneration of Key Management Personnel**

The key management personnel of Green Invest Limited include the Directors and other key management personnel of the entity as follows:

|                   |  |
|-------------------|--|
| Mr Peter McCoy    | Executive Chairman (effective from 1 October 2011)                         |
| Mr Ronald Lunt    | Non-Executive Director (effective from 16 December 2011)                   |
| Mr Robert M Bell  | Non-Executive Director (appointed 19 January 2011)                         |
| Mr Graeme S Knott | Non-Executive Director (appointed 29 May 2012, resigned 23 August 2013)    |
| Mr Gregor Dixon   | Chief Operating Officer and Company Secretary (appointed 1 September 2011) |
| Mr Hemant Amin    | Chief Financial Officer and Company Secretary (appointed 12 August 2011)   |

**Compensation by Category**

|   | Consolidated Entity |                |
|---|---------------------|----------------|
|   | 2013<br>\$          | 2012<br>\$     |
| Key management personnel compensation comprises |                     |                |
| Short-term employment benefits                  | 530,000             | 672,192        |
| Post employment benefits                        | -                   | -              |
| Bonus payments                                  | -                   | 100,000        |
| <b>Total</b>                                    | <b>530,000</b>      | <b>772,192</b> |

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 25: INTEREST OF KEY MANAGEMENT PERSONNEL (continued)**

**Number of Options held by Key Management Personnel**

No Options were being held by Key Management Personnel at reporting date, comparative information as at 30 June 2012 is summarised as follows

| 2012        | Balance<br>01/07/11 | Granted as<br>remuneration* | Options<br>lapsed | Net<br>change<br>other | Balance<br>30/06/12 | Total vested<br>30/06/12 | Total<br>Exercisable<br>30/06/12 | Total<br>Unexercisable<br>30 /06/12 |
|-------------|---------------------|-----------------------------|-------------------|------------------------|---------------------|--------------------------|----------------------------------|-------------------------------------|
| Ron Lunt    | 2,093,083           | -                           | 2,093,083         | -                      | -                   | -                        | -                                | -                                   |
| Peter McCoy | 2,229,733           | -                           | 2,229,733         | -                      | -                   | -                        | -                                | -                                   |
|             | <b>4,322,816</b>    | -                           | <b>4,322,816</b>  | -                      | -                   | -                        | -                                | -                                   |

During the financial year ended 30 June 2013, no options were granted to Key Management Personnel.

**Number of shares held by Key Management Personnel:**

| 2013         | Balance<br>01/07/12 | Acquired<br>during the<br>year | Received as<br>Remuneration | Options<br>Exercised | Net change<br>Other | Balance<br>30/06/13 |
|--------------|---------------------|--------------------------------|-----------------------------|----------------------|---------------------|---------------------|
| Ron Lunt     | 9,804,592           | -                              | -                           | -                    | (3,300,000)         | 6,504,592           |
| Peter McCoy  | 3,114,566           | -                              | -                           | -                    | (96,154)            | 3,018,412           |
| Robert Bell  | 10,295,438          | -                              | -                           | -                    | -                   | 10,295,438          |
| Graeme Knott | -                   | -                              | -                           | -                    | -                   | -                   |
| Gregor Dixon | 0                   | -                              | 153,173                     | -                    | -                   | 153,173             |
| <b>Total</b> | <b>23,214,596</b>   | -                              | <b>153,173</b>              | -                    | <b>(3,396,154)</b>  | <b>19,971,615</b>   |

| 2012            | Balance<br>01/07/11 | Acquired<br>during the<br>year | Received as<br>Remuneration | Options<br>Exercised | Net change<br>Other | Balance<br>30/06/12 |
|-----------------|---------------------|--------------------------------|-----------------------------|----------------------|---------------------|---------------------|
| Ron Lunt        | 9,804,592           | -                              | -                           | -                    | -                   | 9,804,592           |
| Peter McCoy     | 3,114,566           | -                              | -                           | -                    | -                   | 3,114,566           |
| Robert Bell     | 10,295,438          | -                              | -                           | -                    | -                   | 10,295,438          |
| Michael Kirby + | 174,000             | -                              | -                           | -                    | (174,000)           | -                   |
| <b>Total</b>    | <b>23,388,596</b>   | -                              | -                           | -                    | <b>(174,000)</b>    | <b>23,214,596</b>   |

+ Michael Kirby resigned on 12 August 2011 and his shares were converted to unrelated party.

**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 26: RELATED PARTY DISCLOSURES**

(a) The consolidated financial statements include the financial statements of Green Invest Limited and its controlled entities as listed below:

|  | Country of Incorporation | Percentage Owned |      |
|--|--------------------------|------------------|------|
|  |                          | 2013             | 2012 |
| <b>Parent Entity</b>                         |                          |                  |      |
| Green Invest Limited                         | Australia                | -                | -    |
| <b>Subsidiaries of Green Invest Limited</b>  |                          |                  |      |
| Green Invest Capital Pty Ltd                 | Australia                | 100%             | 100% |
| Green Plumbers Global Corporation Ltd        | Australia                | 100%             | 100% |
| Sustainable Footprint Pty Ltd                | Australia                | 100%             | 100% |
| Sustainable Footprint Education Pty Ltd      | Australia                | 100%             | 100% |
| Green Professionals Pty Ltd                  | Australia                | 100%             | 100% |
| IntoEco (I Green) Pty Ltd                    | Australia                | 100%             | 100% |
| Green Electricians International Pty Ltd     | Australia                | 100%             | 100% |
| Green Plumbers Inc                           | United States            | 100%             | -    |
|  |                          |                  |      |
| Green Plumbers Pty Ltd                       | Australia                | 100%             | 100% |
| Green Plumbers Assist Pty Ltd                | Australia                | 100%             | 100% |
| Green Plumbing Environmental Service Pty Ltd | Australia                | 100%             | 100% |
| Green Credit Pty Ltd                         | Australia                | 100%             | 100% |
| Green Plumbing Services Pty Ltd              | Australia                | 100%             | 100% |
| Green Plumbers Australia Pty Ltd             | Australia                | 100%             | 100% |
| Green Plumbers International Pty Ltd*        | Australia                | 100%             | 100% |
| (Trustee for Green Plumbers Unit Trust)      | Australia                | 100%             | 100% |

\* In liquidation as at 9 April 2014

(b) The following provides the total amount of transactions that were entered into with related parties for the relevant financial year:

**Wholly-owned Group transactions**

Loans made by Green Invest Limited to controlled entities under normal terms and conditions. The aggregate amounts receivable from controlled entities by the parent entity as at 30 June 2013 were \$975,315 (2012: \$975,315). The aggregate amounts payable to controlled entities by the parent entity as at 30 June 2013 were \$541,304 (2012: \$541,304). Services provided by the parent entity to subsidiary entities for the financial year ended 30 June 2013 nil (2012: nil) have been charged through the loan accounts.

**Transactions with key management personnel**

During the financial year ended 30 June 2013 Mr Ronald Lunt advanced \$3,500 (2012: Nil) to the Company. Mr Lunt did not charge any interest to the Company on this advance and at reporting date loan balance payable was \$3,500 (2012: Nil) to Mr Lunt.

During the financial year ended 30 June 2013 Mr Peter McCoy advanced \$32,000 (2012: Nil) to the Company. Mr McCoy did not charge any interest to the Company on this advance and at reporting date loan balance payable was \$32,000 (2012: Nil) to Mr McCoy.

During the financial year ended 30 June 2013 Mr Robert Bell advanced \$370,000 (2012: \$40,000) to the Company. Mr Bell charged \$29,394 as interest to the Company (subject to shareholder approval) on this advance and at reporting date loan balance payable was \$439,394 (2012: \$40,000) to Mr Bell.

**GREEN INVEST LIMITED AND CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 27: SHARE BASED PAYMENTS**

No share based payments were made to any director or key management personnel during the year.

**NOTE 28: OPERATING SEGMENTS**

Identification of reportable operating segments

The consolidated entity is organised into three operating segments, technical services, integration services and Corporate. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The reportable operating segments are identified by management based on profit before tax.

The Group is managed primarily on the basis of service offerings as the diversifications of the Group's operations inherently have notable different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- The services provided by the segment
- The process used to provide those services
- The type of customers services by the segment
- The external regulatory requirements

**Business segments**

The Consolidated Entity operates predominantly in the environmental energy initiatives sector and includes:

**Technical Services (Green Plumbers):**

Project management of environmentally friendly initiatives for government, non government organisations, individuals and commercial enterprises; and

**Geographical segments**

Whilst Green Plumbers has a license arrangement for commercialisation in North America, the Group operates predominantly within Australia.

**(a) Basis of Accounting for purposes of reporting by operating segments**

**Accounting Policies Adopted**

Unless stated otherwise, all amounts reported with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

**Inter-segment Transactions**

Corporate charges are allocated to reporting segments based on the segments' full time equivalent staff numbers within the Group. The Board believes this is a fair representation of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

**Segment Assets**

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 28: OPERATING SEGMENTS (Continued)

**Segment Liabilities**

Liabilities are allocated to segments where there is a direct nexus between incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

**Unallocated Items**

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Income tax Expenses
- Deferred tax assets and liabilities
- Current tax liabilities

| <b>Business segments – 2013</b>                    | <b>Technical<br/>Services<br/>\$</b> | <b>Integration<br/>Services<br/>\$</b> | <b>Corporate<br/>\$</b> | <b>Total<br/>\$</b> |
|--|--------------------------------------|--|-------------------------|---------------------|
| <b>Revenue</b>                                     |                                      |  |                         |                     |
| Sales to customers outside the consolidated entity | 16,771                               | 161,168                                | 40,077                  | 218,016             |
| Other revenue                                      | 624,640                              | -                                      | 184,574                 | 809,214             |
| <b>Total segment revenue</b>                       | <b>641,411</b>                       | <b>161,168</b>                         | <b>224,651</b>          | <b>1,027,230</b>    |
| <b>Segment result before tax</b>                   | <b>(96,063)</b>                      | <b>22,331</b>                          | <b>(1,266,640)</b>      | <b>(1,340,372)</b>  |
| <b>Total Assets</b>                                | <b>51,039</b>                        | <b>492,631</b>                         | <b>1,525,815</b>        | <b>2,069,485</b>    |
| <b>Total Liabilities</b>                           | <b>93,145</b>                        | <b>20,961</b>                          | <b>1,907,919</b>        | <b>2,022,025</b>    |
| <b>Other segment information</b>                   |                                      |  |                         |                     |
| Income tax expense / (benefit)                     | -                                    | -                                      | -                       | -                   |
| Interest revenue                                   | -                                    | -                                      | 1,423                   | 1,423               |
| Finance costs expensed                             | -                                    | -                                      | 45,102                  | 45,102              |
| Depreciation and amortisation of segment assets    | 22,694                               | -                                      | 48,359                  | 71,052              |

| <b>Business segments – 2012</b>                    | <b>Technical<br/>Services<br/>\$</b> | <b>Integration<br/>Services<br/>\$</b> | <b>Corporate<br/>\$</b> | <b>Total<br/>\$</b> |
|--|--------------------------------------|--|-------------------------|---------------------|
| <b>Revenue</b>                                     |                                      |  |                         |                     |
| Sales to customers outside the consolidated entity | 1,239,360                            | 31,799                                 | -                       | 1,271,159           |
| Other revenue                                      | 63,327                               | -                                      | 171,629                 | 234,956             |
| <b>Total segment revenue</b>                       | <b>1,302,687</b>                     | <b>31,799</b>                          | <b>171,629</b>          | <b>1,506,115</b>    |
| <b>Segment result before tax</b>                   | <b>41,570</b>                        | <b>(17,150)</b>                        | <b>(1,711,828)</b>      | <b>(1,687,408)</b>  |
| <b>Total Assets</b>                                | <b>176,637</b>                       | <b>168,911</b>                         | <b>2,424,887</b>        | <b>2,770,435</b>    |
| <b>Total Liabilities</b>                           | <b>23,206</b>                        | <b>15,850</b>                          | <b>1,657,706</b>        | <b>1,696,762</b>    |
| <b>Other segment information</b>                   |                                      |  |                         |                     |
| Income tax expense / (benefit)                     | -                                    | -                                      | -                       | -                   |
| Interest revenue                                   | -                                    | -                                      | 6,839                   | 6,839               |
| Finance costs expensed                             | -                                    | -                                      | 1,775                   | 1,775               |
| Depreciation and amortisation of segment assets    | 47,678                               | 6,600                                  | 36,241                  | 90,519              |



**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 29: CONTINGENT LIABILITIES**

Green Plumbers International Pty Ltd (GPI), a wholly owned subsidiary of Green Invest Limited has been unable to reach a satisfactory payment schedule with Mike Treloar Apparel in respect to certain items of Green Plumber apparel apparently ordered by GPI [or its predecessor]. As a result GNV has withdrawn funding to GPI and has consented to GPI having a liquidator appointed to its affairs. GNV is hopeful that satisfactory arrangements will be made shortly to enable GNV to take delivery of the apparel which will be utilised in the GPUSA business. GNV is hopeful that a number of other ancillary disputes will be settled contemporaneously.

No other person has applied for leave of the Court to bring proceedings on behalf of the Consolidated Entity.

**NOTE 30: EVENTS OCCURRING AFTER THE REPORTING PERIOD**

The Company has embarked upon a recapitalisation plan which comprises of the following components:

- A partially underwritten non-renounceable rights issue to all eligible shareholders, on the basis of 1 new share for every 1 share held at an issue price of \$0.02 to raise \$1.18m;
- A private placement to raise \$237,645 through the issue of 11,882,254 new shares at \$0.02 per share
- A secured debt facility from external lenders for an amount of \$200,000
- Loan facilities from lenders as follows:
  - Unsecured loans totalling \$228,000.
  - The extension of the repayment date in respect of the previously announced \$200,000 secured loan; and
- The retirement, conversion and repayment of the previously announced existing director loans

The issuance of shares in respect to certain components of this proposal is subject to shareholder approval. The company proposes to seek shareholder approval at an annual general meeting proposed to be held shortly. Full details of the proposed recapitalisation plan will be released to the ASX immediately upon the successful re-listing of GNV on the ASX.

Green Plumbers International Pty Ltd (GPI), a wholly owned subsidiary of Green Invest Limited agreed to the appointment of a liquidator on 9 April 2014.

Apart from matters stated above since the end of the reporting period, the Directors are not aware of any other matters or circumstances not otherwise dealt with in this report that has significantly or may significantly affect the operations of the consolidated entity.

## DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 24 to 57 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001, other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (c) the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1; and
- (d) the audited Remuneration Report set out on pages 18 to 21 of the Directors' Report is in accordance with the Corporations Act 2001.

The directors have been given declarations, as required by section 295A of the Corporations Act 2001, by the chief executive officer and the chief financial officer for the financial year ended 30 June 2013.

Signed in accordance with a Resolution of the Board of Directors at Melbourne this 27th day of August 2014.



Peter McCoy  
Chairman  
27 August 2014

## INDEPENDENT AUDITOR'S REPORT

To the members of Green Invest Limited

### Report on the Financial Report

We have audited the accompanying financial report of Green Invest Limited, which comprises the consolidated statement of financial position as at 30 June 2013, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

### Directors' Responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Green Invest Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### **Basis for Qualified Opinion**

#### *Carrying value of non-current asset held for sale*

The consolidated entity holds as an investment, shares in Envex Services Pty Limited, which is classified as an asset held for sale at 30 June 2013. The directors have provided representations that the carrying value of this investment of \$1,600,000 has been measured at the lower of its carrying amount and fair value less costs to sell. However, contrary to the requirements of *Australian Accounting Standard 5: Non-current Assets Held for Sale and Discontinued Operations*, sufficient appropriate audit evidence to support the directors assessment of the fair value less cost to sell has not been provided by the directors. Consequently, we have been unable to determine whether any adjustment, to the carrying value of the investment is necessary.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

- (a) the financial report of Green Invest Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(b).

### **Emphasis of matter**

Without further modifying our opinion, we draw attention to Note 1(a) "Going Concern" in the financial report which indicates for the year ended 30 June 2013 the consolidated entity (group) has incurred a loss of \$1,340,372 and negative cash outflows from operating activities of \$919,172 and net current liabilities of \$239,877. These conditions, along with other matters as set forth in Note 1(a), give rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern, and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 18 to 21 of the directors' report for the year ended 30 June 2013. 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.

### **Opinion**

In our opinion, the Remuneration Report of Green Invest Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

### **BDO East Coast Partnership**



Alex Swansson  
Partner

Melbourne 27 August 2014

**Additional Securities Exchange Information**  
**Number of Holdings of Equity Securities as at 1 August 2014**

As recorded by Computershare as at 1 August 2014, the fully paid issued capital of the Company consisted of 59,440,995 ordinary fully paid shares held by 419 shareholders. Each share entitles the holder to one vote.

**Distribution of Holders of Equity Securities as at**

| Range            | Total Holders | No. of Shares     | % of Issued capital |
|------------------|---------------|-------------------|---------------------|
| 1 – 1000         | 7             | 3,205             | 0.01                |
| 1,001 – 5,000    | 197           | 568,546           | 0.96                |
| 5,001 – 10,000   | 55            | 483,269           | 0.81                |
| 10,001 – 100,000 | 96            | 3,599,368         | 6.06                |
| 100,001 and over | 64            | 54,786,607        | 92.17               |
| <b>Rounding</b>  |               |                   |                     |
| <b>Total</b>     | <b>419</b>    | <b>59,440,995</b> | <b>100.00</b>       |

**Unmarketable parcels as at Minimum \$500.00 parcel at \$0.046 per unit    Minimum parcel size: 10,870    Holders: 267    Units: 1,140,132**

**Top 20 holders of FULLY PAID ORDINARY SHARES**

| Rank | Name  | No. of Shares | % of Issued Capital |
|------|---|---------------|---------------------|
| 1    | UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD                  | 10,295,438    | 17.32               |
| 2    | MR RONALD GLEN LUNT   | 6,504,592     | 10.94               |
| 3    | MRS LELDE RITA MCCOY  | 3,091,010     | 5.20                |
| 4    | MR WAYNE CREWES + MRS EILEEN CREWES                               | 2,318,636     | 3.90                |
| 5    | MR PETER MCCOY  | 2,133,579     | 3.59                |
| 6    | THE ELECTRICAL TRADES UNION OF AUSTRALIA<VICTORIAN BRANCH A/C>    | 2,000,000     | 3.36                |
| 7    | ROYCE GALEA<GALEA SUPER FUND A/C>                                 | 2,000,000     | 3.36                |
| 8    | STEPHEN MICHAEL LIDBURY +JOANNE LIDBURY<LIDBURY FAMILY S/F A/C>   | 2,000,000     | 3.36                |
| 9    | INFINITY ENERGY GROUP PTY LTD                                     | 1,810,440     | 3.05                |
| 10   | MR PETER JOHN LUNT  | 1,408,990     | 2.37                |
| 11   | ANGLO-AUSTRALIAN MERCANTILE PTY LTD <THE LRR SUPER FUND A/C>      | 1,096,154     | 1.84                |
| 12   | PETER LUNT & ASSOCIATES PTY LTD <THE PETER LUNT S/F A/C>          | 1,091,566     | 1.84                |
| 13   | MRS SUSAN HADDEN +MRS ABBY FALLA <HADDUP SUPER FUND A/C>          | 1,000,000     | 1.68                |
| 14   | MIRABROOK PTY LTD<MB FAMILY SETTLEMENT A/C>                       | 1,000,000     | 1.68                |
| 15   | MR JOHN DAVID WHEELER + MR GLEN ROBERT WHEELER <WHEELSUP S/F A/C> | 1,000,000     | 1.68                |
| 16   | YAMBOON PTY LTD   | 1,000,000     | 1.68                |
| 17   | BIRCHWOOD GROUP PTY LTD   | 884,833       | 1.49                |
| 18   | MASTER PLUMBERS & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA    | 799,900       | 1.35                |
| 19   | BENCHMARK PTY LTD   | 529,988       | 0.89                |
| 20   | MS SASHA ELMA TREGENT-CREWES                                      | 500,000       | 0.84                |

## Additional Securities Exchange Information – (continued)

### Substantial Shareholders

| Name   | No. of Shares | % of Issued Capital |
|--|---------------|---------------------|
| UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD | 10,295,438    | 17.32               |
| MR RONALD GLEN LUNT                              | 6,504,592     | 10.94               |
| MRS LELDE RITA MCCOY                             | 3,091,010     | 5.20                |

### Other Information

The name of the Company Secretary is Mr Gregor Dixon. The address of the principal registered office in Australia and the principal administrative office is Level 14, 461 Bourke Street Melbourne Victoria 3000 Australia.

The Company is listed on the Australian Securities Exchange. The home exchange is Melbourne.

Registers of securities are held by Computershare Investor Services Pty Ltd, Yarra Falls, 452 Johnson Street, Abbotsford, 3067, Victoria, 3067, local call is 1300 850 505, international call is + 613 9415 4000.

### Variation to Appendix 4E Results

Since the Company's preliminary final report was issued to the ASX on 30<sup>th</sup> August 2013, the following material changes have occurred to the financial results and financial position of the Company:

- **Revenue and other income**

Revenue has increased from \$454,888 to 1,027,230 following the recognition of a gain on settlement of a liability of 572,342.

- **Loss attributable to the members of the Green Invest Limited**

From a loss before tax of \$1,459,802 to a loss before tax of \$1,340,372 due to:

|   |  |             |
|---|--|-------------|
| - | Gain on settlement of a liability                        | (\$572,342) |
| - | Write off of deposit paid for rights to acquire an asset | \$195,000   |
| - | Impairment of Envex investment                           | \$200,145   |
| - | Write off of inventory                                   | \$57,767    |

- **Net Liability/Total Deficiency**

The above adjustments have resulted in the deficiency of \$71070 reported in the preliminary final report becoming a net equity position of \$47,460.