

Viento Group Limited

ABN 79 000 714 054

**Financial Report
for the year ended
30 June 2015**

VIENTO GROUP LIMITED & CONTROLLED ENTITIES

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VIENTO GROUP LIMITED & CONTROLLED ENTITIES CORPORATE GOVERNANCE STATEMENT

Set out below are the corporate governance policies and procedures that have been adopted by Viento Group Limited (the “Company” or “VIE”). At regular intervals, the Board will review the policies and procedures adopted, as it is expected that requirements will change as the Company develops and grows in complexity. The policies in place are described under the headings of eight ASX Principles.

Principle 1 Lay Solid Foundations for Management and Oversight

Role of the Board

The Board has the primary responsibility for guiding and monitoring the business and affairs of the Company, including compliance with the Company’s corporate governance objectives.

The Board is responsible for the oversight and performance of the Company, which includes:

- (a) Monitoring and approving all financial reports and all other reporting and external communications by the Company;
- (b) Evaluation of Board and individual director performance;
- (c) Appointing, removing and managing the performance of, and the succession planning for, senior executives of the Company;
- (d) Overseeing and ratifying the terms of appointment and, where appropriate, removal, of senior executives, including their remuneration;
- (e) Reporting to shareholders on the Company’s strategic direction and performance;
- (f) Monitoring the Company’s performance in relation to best practice principles of corporate governance; and
- (g) Approving and monitoring the Company’s risk management strategy and internal controls and accountability systems and their effectiveness.

Role of Management

The Board has delegated the day to day management of the Company to management to undertake and work on the following:

- (a) Developing business plans, budgets and Company strategies for consideration by the Board and, to the extent approved by the Board, implementing those plans, budgets and strategies;
- (b) Operating the business of the Company within the parameters determined by the Board and keeping the Board promptly informed of all developments material to the Company and its business;
- (c) Identifying and managing operational risks and formulating strategies for managing those risks for consideration by the Board; and
- (d) Managing the Company’s financial and other reporting mechanisms and controls and monitoring systems to ensure that they capture all relevant material information on a timely basis and are functioning effectively.

Election of Directors

The Board will undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director and provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Role of Company Secretary

The company secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Board Performance

Given the current status of the Company and, there is no process for periodically evaluating the performance of the Board, its committees, individual directors or senior executives. It expected that such a process will be established as the Company grows its operations.

Diversity Policy

The Company acknowledges that it has no official diversity policy at the moment but it complies with all employee and workplace laws in Australia. The Company is committed to establishing a diversity policy when the Company grows its operations.

Principle 2 Structure the Board to Add Value

Board Composition

The Board has three directors at the date of this report, all non-executive.

The names, date of first appointment and status of the Company’s directors at the date of this report are set out below:

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT**

Name	Date Appointed	Executive	Non-Executive	Independent
Michael Hui	5 November 2015	No	Yes	No
Kevin Chin	23 June 2016	No	Yes	No
Conor Byrne	23 June 2016	No	Yes	No

Director Independence

Directors are expected to bring independent views and judgment to the Board's deliberations. The Board has reviewed the position and associations of each of the three directors in office and has determined that none of the directors are independent. In making this determination the Board has had regard to the independence criteria in ASX Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate. At this stage while the Company is working towards reinstatement to the ASX, the Board feels it is appropriate to have no independent directors.

Meetings of the Board

The Board meets formally on a regular basis, as required. The number of Board meetings held can be found in the Directors' Report. The previous Board passed most resolutions by circular resolution.

Retirement and Re-Election

The constitution of the Company requires one third of the directors to retire from office at each annual general meeting. Directors who have been appointed by the Board are required to retire from office at the next annual general meeting and are not taken into account in determining the number of directors to retire at that annual general meeting. Directors cannot hold office for a period in excess of three years (the latter of the third annual general meeting following their appointment) without submitting themselves for re-election. Retiring directors may be eligible for re-election by shareholders.

Given the size and scope of the Company's current operations, there is no program for the induction of new directors. It is anticipated that upon the growth of the Company's operations such a program will be put in place.

Board Committees & Skills Matrix

There are currently no operational Board Committees or a Skills Matrix. The Company's current size and operations do not allow for separate Board Committees or a Skills Matrix.

Principle 3 Promote Ethical and Responsible Decision-Making

Through its oversight of Company activities, the Board ensures that best practice standards of ethics and integrity in all business dealings and operations are maintained, including the Company's interactions with its shareholders, employees, business partners, customers, suppliers, and the community. Given the size and scope of the Company's current operations, there is no formal code of conduct. It is anticipated that upon the growth of the Company's operations that such a code will be put in place.

Principle 4 Safeguard Integrity in Financial Reporting

Appointment of Auditors

The Company's current external auditors are Deloitte Touche Tohmatsu. The effectiveness, performance and independence of the external auditors are reviewed by the Board. If it becomes necessary to replace the external auditors for performance or independence reasons, the Board will then formalise a procedure and policy for the selection and appointment of new auditors. It is a requirement, given that the Company is listed, that the audit engagement partners be rotated at least every five years. The Company's auditors attend, and are available to answer questions at, the Company's Annual General Meetings.

Director Declaration

Before the Board approves the Company's financial statements for a financial period, its receives from its CEO and CFO (or the person(s) performing such function(s)) a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES CORPORATE GOVERNANCE STATEMENT

Principle 5 Make Timely and Balanced Disclosure

The Board is in the process of establishing policies on continuous disclosure (including requirements for approval for release of information by the Company), and on shareholder communications, to promote effective communication with its shareholders.

In addition to its disclosure obligations under the ASX Listing Rules, the Company communicates with its shareholders through a number of means including:

- (a) Annual and half-yearly reports, including material presented at the Annual General Meeting; and
- (b) Media releases, public announcements and investor briefings.

All material disclosed, where feasible, and as authorised by the Board, is posted to the ASX website and can be searched under the announcements using the ticker code VIE.

Principle 6 Respect the Rights of Shareholders

The Company has a positive strategy to communicate with shareholders and actively promote shareholder involvement in the Company. This is outlined above. Consistent with ASX Principle 6 and the Corporations Act 2001, the Company's auditors attend, and are available to answer questions at, the Company's Annual General Meetings. It is exploring means to provide remote access to Company meetings and electronic shareholder communications.

Principle 7 Recognise and Manage Risk

The Company presently has no risk committee, regular review of risk processes and internal audit function given the size and scope of its current operations. It is anticipated that upon growth of the Company's operations, a suitable committee, regular reviews, internal audit function and processes will be put in place.

The Company is committed to the identification, monitoring and management of risks associated with its business activities and is establishing, as part of its management and reporting systems, a number of risk management controls.

The risk profile can be expected to change and procedures will be adapted as the Company's business develops and it grows in size and complexity. Regular review by the Board will ensure that procedures adopted continue to be appropriate.

At present, the Company does not believe it has any material exposure to economic, environmental and social sustainability risks above and beyond those encountered by a similar sized organisation in the Company's market.

Principle 8 Remunerate Fairly and Responsibly

Given the size and scope of the Company's operations it presently has no remuneration committee.

The Company's remuneration policy and details of director and executive remuneration are outlined in the Directors' Report. The guiding principles of this policy are to balance the need to provide industry-competitive remuneration in order to attract and retain high quality personnel, with the objectives of ensuring effective use of shareholder funds.

Where remuneration is offered, non-executive directors are remunerated by director's fees only. No current directors receive remuneration. No schemes for retirement benefits (other than statutory contributions to a superannuation scheme where relevant) or termination payments are in place.

There is presently no equity-based remuneration scheme.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES DIRECTORS' REPORT

Your directors present their report on Viento Group Limited and its controlled entities for the financial year ended 30 June 2015.

DIRECTORS

The following persons held the position of direct during or since the end of the financial year up to the date of this report:

- Mr Steven De Mol (Resigned 28 August 2014)
- Mr Robert Nichevich (Resigned 13 November 2014)
- Mr Raymond Munro (Resigned 5 November 2015)
- Mr John Farrell (Resigned 5 November 2015)
- Mr John Silverthorne (Resigned 5 November 2015)
- Mr Doug Grewar (Appointed 30 March 2015, resigned 5 November 2015)
- Mr John Knights (Appointed 5 November 2015, resigned 5 December 2015)
- Mr Georgina Varley (Appointed 5 November 2015, resigned 23 June 2016)
- Mr Michael Hui (Appointed 5 November 2015)
- Mr Kevin Chin (Appointed 23 June 2016)
- Mr Conor Byrne (Appointed 23 June 2016)

COMPANY SECRETARY

The company secretary is Mr Tom Bloomfield (appointed 5 November 2015).

MEETINGS OF DIRECTORS

During the financial year, five meetings of directors were held. Attendances by each director during the year were as follows:

Directors	Directors' Meetings	
	Number Attended	Number eligible to attend
Ray Munro	5	5
John Farrell	5	5
John Silverthorne	5	5
Robert Nichevich	3	3
Steve De Mol	1	1

PRIOR YEAR INFORMATION & INCOMPLETE RECORDS

The management and affairs of the Company and its controlled entities have not been under the control of the directors of the Group since the Company entered voluntary administration on 22 April 2015.

The financial report has been prepared by the Directors who were not in office at the time the Company and its controlled entities entered voluntary administration or for the full period presented in this report. The Directors who prepared this financial report were appointed after 30 June 2015 as part of a deed of company arrangement process.

As a result, the financial information relating to the 30 June 2015 financial report was not subject to the same accounting and internal control processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of a financial report. Further, it has not been possible for the Directors to obtain all of the books and records of the Company and its controlled entities for the period up to 30 June 2015. As such we have been unable to satisfy ourselves as to the completeness and accuracy of all the transactions recorded in the Company's accounting records that occurred prior to our appointment as Directors.

The Company effected a Deed of Company Arrangement on 30 June 2016 and has continued to carry on its core business activities since that date with complete and accurate accounting records. The current Directors have used their best endeavours, working with the Administrators, the Company's former officers and directors, and Company's advisers, to prepare and present this financial report for the year ended 30 June 2015, a period prior to their appointment. Given the difficulties referred to in the review of operations and loss of some company records, certain information was not available for inclusion in this financial report.

The Directors are confident that at the date of this report, financial records, processes and controls are adequate to safeguard the ongoing business operation.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES DIRECTORS' REPORT

In the opinion of the current Directors of the Company, except for the effects of such adjustments, if any, that might have been determined to be necessary had we been able to verify all of the transactions which took place during the reporting period and prior to the date of our appointment the Financial Statements comprising the Consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying Notes to the Financial Statements are in accordance with the Corporations Act 2001 and:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were to:

- Purchase and provide a fleet of mining equipment for use in the mining services industry;
- Provide construction services to the civil and mining industries;
- Manufacture transportable switchrooms including design and delivery of electrical switchgear;
- Market and manage direct property investment products. This part of the business was sold in November 2014;

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On the 11 November 2014 the company disposed of its direct property investment business.

On 22 April 2015, the Company was placed into Voluntary Administration.

REVIEW OF OPERATIONS

Viento operated an integrated mining services business providing civil contracting services to the mining industry, primarily in the Pilbara region of Western Australia. The 2015 financial year was difficult for Viento as the Company was significantly impacted by losses at one of its main electrical engineering projects, which put strain on the Company's resources.

Viento Contracting Services Pty Ltd

Viento Contracting Services (VCS) focused on providing construction services to the civil and mining industries. VCS undertakes projects in a safe, timely manner to the client's health, safety, environmental and quality requirements.

VCS's hands on experience provides our clients with the expertise to deliver innovative, efficient solutions at competitive prices. This approach provides the solution the clients require to mitigate the high cost of construction in the North West of Western Australia.

Mineworks Pty Ltd

Mineworks (MW) established a business in the mining services industry. MW offered a range of mining support services including equipment hire, a heavy duty mechanical repairs and maintenance workshop, labour hire of skilled staff, mine site shutdowns and is currently undertaking a number of "wet hire" contracts.

MW provided significant support to the Viento Contracting Services business by providing manpower, machinery and maintenance to support the offer to clients of the group.

Electrical division

The electrical division includes Power Infrastructure Services Pty Ltd (Powins). A loss at one of Powin's oil and gas projects was very challenging. All other contracts were completed successfully.

Subdivisions

Viento sold the management of its two West Australian based residential land subdivision property syndicates on 11 November 2014.

The directors of Viento Group Ltd resolved to place the Group into Voluntary Administration on 22 April 2015 at which time the powers of the Directors passed to the appointed Administrators, Hall Chadwick. The Company's securities have been suspended from quotation since this date.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT

AFTER BALANCE DATE EVENTS

At a meeting held on 18 June 2015, creditors resolved for the Company to execute a Deed of Company Arrangement ("DOCA"). The Company entered into the DOCA on 9 July 2015. The DOCA appointed Messrs Richard Albarran, Brent Kijurina and Cameron Shaw of Hall Chadwick Chartered Accountants as deed administrators (Deed Administrators).

In accordance with the terms of the DOCA, following the DOCA's execution the Company sold its material business assets and shareholdings to third parties pursuant to respective agreements which formed part of the DOCA.

Following the disposal of the Company's business assets and shareholdings, Arowana Australasian Special Situations Fund 1 Pty Limited ("Arowana") approached the Deed Administrators of the Company with a proposal aimed at recapitalising the Company using the structure of a DOCA and a creditors' trust. At a meeting convened on 24 July 2015, the Company's creditors resolved to vary the terms of the DOCA to accept Arowana's proposal.

The amended DOCA required that an amount of \$600,000 be transferred by the Company to a Creditors' Trust to be available for the satisfaction of the claims of creditors of the Company and to meet the costs of the administration and the Deed Administrators.

These payments would be funded by an issue of 300 million Shares and 50 million Options (the "Recapitalisation Proposal"). This issue of 350 million Shares and Options would also provide the Company with sufficient funds to meet its immediate operating costs and working capital requirements.

On 5 November 2015 the board of directors resigned with immediate effect and a new board of directors was appointed.

A Notice of Meeting of shareholders was prepared and sent to shareholders on 24 May 2016, which outlined the Recapitalisation Proposal.

The terms of the Recapitalisation Proposal were as follows:

- (a) the consolidation of the Company's existing Shares and Options on a 1 for 2 basis (Consolidation);
- (b) following the Consolidation, the Company would issue:
 - (i) up to 100 million Shares at an issue price of \$0.001 per Share;
 - (ii) up to 100 million Shares at an issue price of \$0.005 per Share;
 - (iii) up to 50 million Shares at an issue price of \$0.008 per Share;
 - (iv) up to 50 million Shares at an issue price of \$0.010 per Share;
 - (v) up to 50 million Options at \$0.010 per Option.

On 23 June 2016, a meeting of shareholders was held and shareholders approved proxies that were received in order to pass all requirements of the DOCA and Recapitalisation Plan. This included the consolidation of the Company's existing share capital on a 1 for 2 basis.

On 30 June 2016, the DOCA was wholly effectuated and the Company was successfully recapitalised with the raising of \$2 million of capital.

The Company is undertaking a strategic review and those steps necessary to apply for the resumption of trading in its securities on the official list prior to 22 April 2018.

OPERATING RESULTS FOR THE YEAR

The consolidated loss of the group after providing for income tax amounted to N/A (2014: profit \$1.2 million), revenue for the year was \$79.6 million (2014: \$102.5 million) and the loss before tax was N/A (2014: profit \$1.9 million). Included in the result for the year is derecognition of the subsidiaries as well as the derecognition of the net assets following the appointment of administrators on 22 April 2015.

The Directors have been unable to satisfy themselves as to the amount of liabilities of the Company as at 30 June 2015 and have been unable to present an amount at which these liabilities will be extinguished. Consequently, all liabilities along with the net loss on derecognition of net assets have been presented as N/A in the financial report.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES DIRECTORS' REPORT

ENVIRONMENTAL ISSUES

The consolidated group's operations are subject to significant environmental regulation under the laws of the Commonwealth, State and Local Authorities. The consolidated group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the company are not aware of any breach of environmental legislation for the financial year under review.

DIVIDENDS

No recommendation has been made for payment of a dividend for the year ended 30 June 2015.

INSURANCE OF DIRECTORS AND OFFICERS

During the year the consolidated group paid premiums to insure all officers of the parent entity and its controlled entities. The officers of the parent entity covered by the insurance policy include the directors, former directors, secretaries and all executive officers. The policy also includes cover for directors and executive officers of all subsidiary entities. The insurance contract specifically prohibits disclosure of the nature of the insured liabilities, the limit of aggregate liability and the premiums paid.

INDEMNIFYING DIRECTORS AND OFFICERS

The parent entity has agreed to indemnify all directors and officers against all liabilities to another person (other than the company or a related body corporate) that may arise from their position as a director or officer, except where the liability arises out of conduct involving a lack of good faith.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

The company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board of directors is satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Board to ensure that they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 100: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Fees for non-audit services paid or payable to the external auditors for the year ended 30 June 2015 were tax fees of \$23,675.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 16 of the directors' report.

ROUNDING OF AMOUNTS

The company is an entity to which ASIC Class Order 98/100 applies. Accordingly, amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES DIRECTORS' REPORT

REMUNERATION REPORT

This report details the nature and amount of remuneration for the key management personnel of Viento Group Limited. Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group. Key management personnel comprise all the directors and certain members of the senior executive team of the Group.

Remuneration Policy

The remuneration policy of Viento Group Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short term and, in certain circumstances, long term incentives based on key performance areas affecting the consolidated group's financial results. The Board of Viento Group Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the consolidated group is as follows:

The performance of key management personnel is measured against criteria agreed biannually with each key management person and is based on a combination of personal and corporate performance objectives. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives. No bonuses were payable in relation to the achievement of profit component for the 2015 financial year.

Key management personnel may be entitled to participate in share and option arrangements as determined by the Board from time to time. Any options not vested on the termination date lapse.

The key management personnel receive a superannuation guarantee contribution as required by the government, which was 9.25% for the 2015 financial year, and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the company and expensed. Shares and options are valued using the Black-Scholes methodology.

The Board determines the proportion of fixed and variable compensation for each of the key management personnel.

The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to substantially change in the immediate future. The employment conditions of the key management personnel are formalised in contracts of employment. Details of the key management personnel employment contracts are set out below.

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The executive directors determine payments to the non-executive directors and review their remuneration as required, based on market practice, duties and accountability. Independent advice is sought when required. The maximum total remuneration pool for non-executive directors was set at \$450,000 per annum at the 2007 Annual General Meeting.

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total costs basis and includes any FBT charges related to employee benefits) as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually through a process that considers individual, department and overall performance of the consolidated group. In addition, external consultants provide advice to ensure key management personnel's remuneration is competitive in the market place. A key management person's remuneration is also reviewed on promotion.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES DIRECTORS' REPORT

REMUNERATION REPORT (cont)

Performance Based Remuneration

Performance based remuneration includes short-term incentives and long-term incentives and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an "at risk" bonus provided in the form of cash, while the long-term incentive (LTI) is provided in the form of options and/or shares of Viento Group Limited and/or its subsidiaries.

Short-Term Incentive Bonuses

Each year key performance indicators (KPIs) are set for the key management personnel. The KPIs generally include a combination of measures relating to personal performance, the performance of the consolidated group and the performance of the relevant segment. The split of KPI's between personal performance, the performance of the consolidated group and the performance of a department depend on the nature of the role of the key management personnel. Those key management personnel who have responsibility for the management of a department will have their KPIs aligned to the performance of the department while those who have responsibility for group management functions will have their KPIs aligned to personal performance as well as the performance of the consolidated group.

The Board reviews the performance bonuses to gauge their effectiveness against achievement of set goals and adjust future years' incentives as they see fit, to ensure use of the most cost effective and efficient methods.

Long-Term Incentives

Long-term incentives are offered by the Board of Viento Group Limited to key management personnel on a case by case basis. The company does not have an established Share Option Plan.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The Company performance element of short-term incentive bonuses is calculated in reference to the net profit of the Group. In the current year there were no staff bonuses.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES DIRECTORS' REPORT

REMUNERATION REPORT (cont)

Employment Contracts of Key Management Personnel

Remuneration and other terms of employment for key management personnel employed during the financial year ended 30 June 2015 are formalised in employment or consultancy contracts. The major provisions of the contracts are set out below:

Mr R C Munro, Executive Chairman

- Service Agreement with RCM Resources Pty Ltd.
- Term of Agreement – Commenced 2 July 2013.
- Executive Chairman Base fee of \$300,000 per annum from 1 November 2013.

Mr J Farrell, Executive Director

- Service Agreement with Farrell Consultants Pty Ltd.
- Term of Agreement – Commenced 12 May 2011 until termination.
- Directors fee of \$50,000 per annum plus a consultancy fee of \$190,000 per annum from 1 June 2013.

Mr J Silverthorne, Executive Director

- Term of Agreement – Commenced 21 March 2012 until termination.
- Directors fee of \$50,000 per annum plus a consultancy fee of \$190,000 per annum from 1 June 2013.

Mr D Grewar, Chief Executive Officer and Managing Director

- Term of Agreement – Commenced 30 March 2015
- The daily base salary for the initial period of three months is \$2,000, inclusive of statutory superannuation.
- The annual base salary as at 30 June 2015 is \$450,000, inclusive of statutory superannuation after the initial period.
- No Short Term Incentives and Long Term Incentives bonuses were agreed upon.

Mr S De Mol, Non-Executive Director (Resigned 28 August 2014)

- Term of Agreement – Commenced 2 January 2014 until termination.
- Directors fee of \$50,000 per annum

Mr R C Nichevich, Executive Director (Resigned 13 November 2014)

- Service Agreement with Koy Pty Ltd.
- Term of Agreement – Commenced 1 July 2013 until termination.
- Directors fee of \$50,000 per annum plus a consultancy fee of \$190,000 per annum from 1 July 2013 until termination.

Mr A T Bell, Chief Financial Officer (Resigned 30 April 2015)

- Term of Agreement – Commenced 7 April 2014.
- The annual base salary as at 30 June 2014 is \$400,000, inclusive of statutory superannuation.
- Provision of a motor vehicle.
- Payment in lieu of notice on early termination by employer, other than for gross misconduct, equal to 3 months base salary.

Changes in Directors and Executives Subsequent to Year-end

On 5 November 2015 Raymond Munro, Nicholas Silverthorne, John Farrell and Douglas Grewar resigned as directors of Viento Group Ltd. Michael Hui, Georgina Varley and John Knights were appointed on 5 November 2015 new as directors of the Viento Group Ltd.

John Knights subsequently resigned on 5 December 2015 and Georgina Varley resigned on 23 June 2016. Kevin Chin and Conor Byrne were both appointed directors of Viento Group Ltd on 23 June 2016.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
DIRECTORS' REPORT**

REMUNERATION REPORT (cont)

Key Management Personnel Remuneration

The remuneration for key management personnel of the consolidated group during the year was as follows:

2015 Key Management Person Directors	Salary & Fees \$	Primary		Super- annuation		Termin- ation Benefits \$	Share Based Payment Share Incentiv e Plan		Total \$	Perform- ance Related
		Allowanc es	Cash Bonus \$	Non-cash Benefits \$	Contri- bution \$		Options \$	Share Incentiv e Plan \$		
Mr Ray Munro ¹	275,000	-	-	-	-	-	-	-	275,000	0%
Mr Robert Nichevich ²	86,667	-	-	-	-	-	-	-	86,667	0%
Mr John Farrell ³	182,000	-	-	-	-	-	-	-	182,000	0%
Mr John Silverthorne ⁴	218,000	-	-	-	-	-	-	-	218,000	0%
Mr Douglas Grewar ⁵	102,400	-	-	-	-	-	-	-	102,400	0%
Mr Steven De Mol ⁶	8,333	-	-	-	-	-	-	-	8,333	0%
	<u>827,400</u>	-	-	-	-	-	-	-	<u>827,400</u>	
Executives										
Mr Andrew Bell ⁷	328,726	-	-	10,241	17,253	-	-	-	356,220	0%
	<u>1,156,126</u>	-	-	<u>10,241</u>	<u>17,253</u>	-	-	-	<u>1,183,620</u>	

¹ \$79,166 of Ray Munro's fees were not paid as a result of the appointment of Administrators.

² Robert Nichevich resigned as a director on 13 November 2014.

³ \$42,000 of John Farrell's fees were not paid as a result of the appointment of Administrators.

⁴ \$60,000 of John Silverthorne's fees were not paid as a result of the appointment of Administrators.

⁵ Douglas Grewar was appointed 30 March 2015. \$28,600 of Douglas Grewar's fees were not paid as a result of the appointment of Administrators.

⁶ Steven De Mol resigned as a director on 28 August 2014.

⁷ Mr Bell resigned on 30 April 2015.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
DIRECTORS' REPORT**

REMUNERATION REPORT (cont)

**Key Management
Personnel
Remuneration
(cont)**

2014 Key Management Person Directors	Primary		Cash Bonus \$	Non-cash Benefits \$	Super- annuation Contri- bution \$	Termin- ation Benefit s \$	Share Based Payment		Total \$	Perform- -ance Related
	Salary & Fees \$	Allowanc es					Options ¹ \$	Share Incentiv e Plan \$		
Mr Ray Munro ¹	233,336	-	-	-	-	-	170,160	-	403,496	42%
Mr Robert Nichevich	244,167	-	50,000	-	-	-	-	-	294,167	17%
Mr John Farrell	240,000	-	-	-	-	-	-	-	240,000	0%
Mr John Silverthorne	240,000	-	-	-	-	-	-	-	240,000	0%
Mr Shane Heffernan ²	37,500	-	-	-	-	-	-	-	37,500	0%
Mr Steven De Mol ³	41,500	-	-	-	-	-	-	-	41,500	0%
	1,036,503	-	50,000	-	-	-	170,160	-	1,256,663	
Executives										
Mr Andrew Bell ⁴	89,765	-	-	-	4,444	-	-	-	94,209	0%
Mr Damian Wright ⁵	206,372	-	-	-	14,511	-	-	-	220,883	
	296,137	-	-	-	18,955	-	-	-	315,092	
	1,332,640	-	50,000	-	18,955	-	170,160	-	1,571,755	

¹ During 2014 1,800,000 options were granted to Ray Munro. The options were independently valued at a total of \$170,160 which is recognised as an expense in the financial statements over their vesting period to 30 June 2015. Further details are set out below.

² Mr Heffernan resigned as a director on 28 March 2014.

³ Mr De Mol was appointed as a director on 2 January 2014.

⁴ Mr Bell was appointed on 7 April 2014.

⁵ Mr Wright ceased as Chief Financial Officer on 6 April 2014.

Options Issued as Part of Remuneration for the Year Ended 30 June 2015

During the financial year the company did not grant any options as part of remuneration.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
DIRECTORS' REPORT**

REMUNERATION REPORT (cont)

Shares under option

Unissued ordinary shares of Viento Group Limited under option at 30 June 2015 are as follows:

Grant Date	Exercise Price	Expiry Date	Number of options
14 June 2012	\$0.40	30 June 2016	1,800,000
14 June 2012	\$0.60	30 June 2017	1,800,000
17 December 2012	\$0.40	30 June 2016	400,000
17 December 2012	\$0.60	30 June 2017	400,000
28 November 2013	\$0.40	30 June 2016	600,000
28 November 2013	\$0.60	30 June 2017	600,000
24 December 2014	\$0.33	31 December 2017	6,236,422
24 December 2014	\$0.36	31 December 2019	5,555,556
			<u>17,391,978</u>

Shares Issued on Exercise of Options

No ordinary shares of Viento Group Limited were issued during the year ended 30 June 2015 from the exercise of options.

AUDITOR'S INDEPENDENCE DECLARATION



Deloitte Touche Tohmatsu
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6 July 2017

The Board of Directors
Viento Group Limited
Level 11, 153 Walker Street
North Sydney NSW 2060

Dear Board Members

Viento Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Viento Group Limited.

As lead audit partner for the audit of the financial statements of Viento Group Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

D K Andrews
Partner
Chartered Accountants

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Member of Deloitte Touche Tohmatsu Limited

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$000	2014 \$000
Revenue	2	79,558	102,495
Other income	2	226	40
Gain/(Loss) on derecognition of net assets		N/A	-
Expenses			
Employee benefits expense		(41,712)	(31,242)
Operating expense		(55,833)	(50,149)
Professional services fees		(2,675)	(1,937)
Commission expense		(17)	(169)
Occupancy expense		(4,405)	(2,919)
Finance expense		(1,668)	(2,036)
Administration expense		(2,030)	(2,180)
Other expenses		(1,654)	(2,987)
Depreciation and amortisation expense	3	(3,996)	(6,990)
Bad & doubtful debts expense		-	(49)
Profit/(Loss) before income tax expense		N/A	1,877
Income tax (expense)/benefit	4	N/A	(710)
Net Profit/(Loss) for the year		N/A	1,167
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		N/A	1,167
Profit/(Loss) attributable to:			
Members of the parent entity		N/A	639
Non-controlling interest		(559)	528
		N/A	1,167
Total comprehensive income attributable to:			
Members of the parent entity		N/A	639
Non-controlling interest		(559)	528
		N/A	1,167
Earnings per share (EPS)			
Basic earnings per share (cents per share)	8	N/A	1.38
Diluted earnings per share (cents per share)	8	N/A	1.34

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes. The 2015 financial statements have been prepared on the basis that all the trade assets of Viento Group and its controlled entities have been disposed of to the Administrators on behalf of the creditors. The Directors have been unable to present an amount at which the liabilities of the Company will be extinguished. Refer to Note 1(a).

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$000	2014 \$000
Current Assets			
Cash and cash equivalents	9	-	8,021
Trade and other receivables	10	-	26,438
Inventories	11	-	8,400
Financial assets	12	-	6
Other current assets	13	-	1,791
Total Current Assets		-	44,656
Non-Current Assets			
Trade and other receivables	10	-	88
Financial assets	12	-	2,669
Plant and equipment	15	-	17,258
Deferred tax assets	18	-	3,069
Intangible assets	16	-	13,072
Other Assets		-	110
Total Non- Current Assets		-	36,266
Total Assets		-	80,922
Current Liabilities			
Trade and other payables	17	N/A	28,049
Short-term provisions	19	N/A	1,213
Current tax liabilities		N/A	1,885
Other current liabilities	20	N/A	41
Loans and borrowings	21	N/A	9,137
Total Current Liabilities		N/A	40,325
Non-Current Liabilities			
Loans and borrowings	21	N/A	18,807
Deferred tax liabilities	18	N/A	716
Other non-current liabilities	20	N/A	57
Long-term provisions	19	N/A	5
Total Non-Current Liabilities		N/A	19,585
Total Liabilities		N/A	59,910
Net Assets		N/A	21,012
Equity			
Issued capital	22	30,615	29,646
Reserves	23	N/A	3,605
Accumulated losses		N/A	(13,595)
Minority interests		N/A	1,356
Total Equity		N/A	21,012

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes. The 2015 financial statements have been prepared on the basis that all the trade assets of Viento Group and its controlled entities have been disposed of to the Administrators on behalf of the creditors. The Directors have been unable to present an amount at which the liabilities of the Company will be extinguished Refer to Note 1(a).

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	Share	Share	Financial	Accumulated		Non-	
	Based	Based	Assets	losses		controlling	
CONSOLIDATED GROUP	Capital	Payments	Reserve		Total	interest	Total
	Ordinary	Reserve	Reserve				
Balance at 30 June 2013	26,437	2,927	69	(12,465)	16,968	366	17,334
Profit attributable to members of the parent entity	-	-	-	639	639	528	1,167
Exercise of options	205	-	-	-	205	-	205
Options issued as remuneration	-	609	-	-	609	-	609
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	477	477
Issue of convertible notes, net of transaction costs and tax	(5)	-	-	-	(5)	-	(5)
Issue of share capital, net of transaction costs and tax	3,009	-	-	-	3,009	-	3,009
Dividends paid or provided for	-	-	-	(1,769)	(1,769)	(15)	(1,784)
Balance at 30 June 2014	29,646	3,536	69	(13,595)	19,656	1,356	21,012
Balance at 1 July 2014	29,646	3,536	69	(13,595)	19,656	1,356	21,012
Loss attributable to members of the parent entity	-	-	-	N/A	N/A	(559)	N/A
Issue of share capital, net of transaction costs and tax	969	-	-	-	969	-	969
Transfers on loss of control events	-	N/A	N/A	N/A	N/A	N/A	N/A
Balance at 30 June 2015	30,615	N/A	N/A	N/A	N/A	N/A	N/A

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes. The 2015 financial statements have been prepared on the basis that all the trade assets of Viento Group and its controlled entities have been disposed of to the Administrators on behalf of the creditors. The Directors have been unable to present an amount at which the liabilities of the Company will be extinguished. Refer to Note 1(a).

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	CONSOLIDATED GROUP	
		2015	2014
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		116,021	104,114
Payments to suppliers and employees		N/A	(87,536)
Interest received		136	254
Finance expenses paid		(2,102)	(2,214)
Income taxes paid		(2,186)	(1,528)
Net cash (used in) / provided by operating activities	28	N/A	13,090
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(1,462)	(1,145)
Proceeds from sale of plant and equipment		60	598
Proceeds from sale of investments		2,200	-
Loans to related parties		-	(187)
Net cash inflow from acquisition of subsidiary		-	2,926
Acquisition of Subsidiary		-	(504)
Net cash outflow on loss of control of subsidiary		(666)	-
Loans repaid by related parties		-	1,233
Net cash used in investing activities		132	2,921
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of options		-	205
Dividend to minority shareholders		(20)	-
Proceeds from director loans		1,132	-
Repayment of borrowings		(6,265)	(7,354)
Settlement of pre acquisition transaction		-	(1,341)
Net cash (used in) financing activities		(5,153)	(9,330)
Net (decrease)/increase in cash held		N/A	6,681
Cash at the beginning of the year		8,021	1,340
Cash at the end of the year	9	-	8,021

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes. The 2015 financial statements have been prepared on the basis that all the trade assets of Viento Group and its controlled entities have been disposed of to the Administrators on behalf of the creditors. The Directors have been unable to present an amount at which the liabilities of the Company will be extinguished. Refer to Note 1(a).

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Viento Group Limited and controlled entities ('Consolidated Group' or 'Group').

Viento Group Limited is a Company limited by shares incorporated and domiciled in Australia, whose shares were publicly traded on the Australian Securities Exchange (ASX). As a result of the Company entering Voluntary Administration, the shares of Viento Group Limited are currently suspended.

a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards

The financial report was approved by the Board of Directors on 6 July 2017.

The separate financial statements of the parent entity have not been presented as permitted by the Corporations Act 2001.

The Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Given that Viento Group was placed in Voluntary Administration on 22 April 2015 and was under a Deed of Company Arrangement (DOCA) that was wholly effectuated on 30 June 2016, the financial statements have been prepared on a basis that all trade assets have been deemed disposed of to the Administrators who is acting on behalf of the creditors. The Directors have been unable to present an amount as at 30 June 2015 at which the liabilities of the Company will be extinguished. Consequently, all liabilities along with the net loss on derecognition of net assets have been presented as N/A (Not Available) in the financial report. Comparative information remains on a going concern basis and has not been adjusted.

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Viento Group Ltd at the end of or during the reporting period and are consistent with AASB 10 Consolidated Financial Statements. As a result of the company entering Administration, the group ceased to have control of all subsidiaries as of this day and the subsidiaries were derecognised as at that date.

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

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

b) Maintenance of accounting records and going concern

As outlined in the Operations Report, a significant number of events occurred both prior to and subsequent to balance date, including, but not limited to:

- Placement of the Company and its subsidiaries into Voluntary Administration on 22 April 2015, with Messrs Richard Albarran, Brent Kijurina and Cameron Shaw of Hall Chadwick appointed Joint & Several Voluntary Administrators;
- A meeting of creditors on 18 June 2015, whereby creditors resolved to execute a Deed of Company Arrangement (DOCA), which was executed on 9 July 2015;
- In accordance with the terms of the DOCA, the Company sold its material business assets and shareholdings to third parties pursuant to respective agreements which formed part of the DOCA;
- At a meeting convened on 24 July 2015, the Company's creditors resolved to vary the terms of the DOCA, to accept a recapitalisation proposal by Arowana Australasian Special Situations Fund 1 Pty Limited (Arowana);
- The amended DOCA required that an amount of \$600,000 be transferred by the Company to a Creditors' Trust to be available for the satisfaction of claims of creditors of the Company and to meet the costs of the administration and the Deed Administrators;
- These payments would be funded by an issue of 300 million Shares and 50 million Options in the Company, raising approximately \$2 million, which would also provide the Company with sufficient funds to meet its immediate operating costs and working capital requirements;
- On 5 November 2015 the board of directors resigned with immediate effect and a new board of directors was appointed;
- On 23 June 2016, a meeting of shareholders was held which approved all requirements of the DOCA and recapitalisation plan. This included the consolidation of the Company's existing share capital on a 1 for 2 basis;
- On 30 June 2016 the DOCA was wholly effectuated and the Company was successfully recapitalised with the raising of \$2 million of capital.

As a result of the Company being placed into administration on 22 April 2015, the books and records relating to the year ended 30 June 2015 were not subject to the same accounting and internal control processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the 30 June 2015 financial report.

Further, it has not been possible for the current Directors to obtain all of the books and records of the Company and its controlled entities for the year ended 30 June 2015. As such, the current Directors have been unable to satisfy themselves as to the completeness and accuracy of all the transactions recorded in the Company's accounting records that occurred prior to their appointment as Directors.

The Company wholly effectuated the DOCA on 30 June 2016 and has continued to carry on its core business activities since that date with complete and accurate accounting records. The current Directors have used their best endeavours, working with the Administrators, the Company's former officers and directors, and Company's advisers, and based on the financial information available to them, to prepare and present this financial report for the year ended 30 June 2015, a period prior to their appointment.

The Directors are confident that as at the date of this report, the financial records, processes and controls are adequate to safeguard the ongoing business operations.

The Directors have prepared the financial report on the going concern basis which assumes the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

Following the recapitalisation of the Company on 30 June 2016 as noted above, the Directors are satisfied that sufficient funds are available to enable the Company to fund its ongoing corporate and administrative expenses.

However, when a new business opportunity is presented and selected by the Directors of the Company, additional funding will need to be obtained and the Company will need to comply with the requirements of Chapters 1 and 2 of the Australian Securities Exchange ('ASX') Listing Rules in order for the Company to obtain its quotation on the ASX.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

b) Maintenance of accounting records and going concern (cont)

Should the Company be unable to obtain additional debt and/or equity funding to successfully complete the matters required in order for the Company to obtain its quotation on the ASX, there is material uncertainty as to whether the company will be able to continue as going concern and therefore, whether the Company will realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

c) Principles of Consolidation

A subsidiary (controlled entity) is an entity over which Viento Group Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing whether the group controls another entity, the existence and effect of holdings of actual and potential voting rights that are currently exercisable or convertible are considered. A list of controlled entities is contained in Note 14 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the group, are shown separately within the consolidated Statement of Financial Position and the consolidated Statement of Comprehensive Income.

Effect of Voluntary Administration

As a result of the group entering Voluntary Administration, the group ceased to have control over the subsidiaries as at that date. The assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carry amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

d) Business Combinations and Goodwill

Business combinations occur where an acquirer obtains control over one or more businesses. Business combinations are accounted for using the acquisition method. For the purposes of the goodwill calculation, the Group has elected the partial goodwill method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of AASB 139, it is measured in accordance with the appropriate AASB. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

d) Business Combinations and Goodwill (cont)

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Customer contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being the contract duration.

e) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

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 reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects the 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.

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 liability is settled, based on tax rates enacted or substantively enacted at reporting date. 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 can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where 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.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

e) Income Tax (cont)

Tax Consolidation

Viento Group Limited and its wholly owned subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity within the group recognises its own current and deferred tax 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. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 January 2004. The tax consolidated group has entered a tax funding agreement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group’s taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

The deferred taxes are allocated to members of the tax consolidated group in accordance with the principles of AASB 112.

f) Plant and Equipment

Plant and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation on plant and equipment is calculated using the straight-line or diminishing value method over its useful life to the group commencing from the time the asset is held ready for use. Depreciation rates used for plant and equipment generally range between 7.5% and 40%.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

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 that is transferred to entities in the consolidated group, are classified as finance leases.

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.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

h) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not carried at fair value through profit or loss. Transaction costs related to instruments carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income. Financial instruments are classified and measured as set out below.

De-recognition

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

Classification and Subsequent Measurement

a. Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit and loss when they are held for trading for the purpose of short term profit taking or are expected to be disposed of in the next period, where they are derivatives not held for hedging purposes, or 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. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

b. 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 using the effective interest rate method.

c. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

d. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

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

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

h) Financial Instruments (cont)

Impairment

At each reporting date, 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 or significant decline in the value of the instrument is considered to determine whether impairment has arisen. Such impairment losses are recognised in the Statement of Comprehensive Income immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

i) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income. Non-financial assets, other than goodwill that suffered impairment, are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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.

j) Interests in Joint Ventures

The Consolidated Group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the Consolidated Group's interests in joint ventures are shown in Note 25.

The group's interests in joint venture entities are brought to account using the proportionate consolidation method which combines its share of each of the assets, liabilities, income and expenses of the jointly controlled entity with the similar items, line by line, in its financial statements.

Given that Viento Group was placed in Voluntary Administration on 22 April 2015 and is currently under the Deed of Company Arrangement (DOCA), the financial statements have been prepared on a basis that all trade assets have been deemed disposed of to the Administrators who is acting on behalf of the creditors. The Administrators are responsible to settle the liabilities and therefore there is a deemed cession of the debt to the Administrators. Comparative information remains on a going concern basis and has not been adjusted

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Viento Group Ltd at the end of the reporting period and are consistent with AASB 10 Consolidated Financial Statements. As a result of the company entering Administration, the group ceased to have control of all subsidiaries as of this day and was derecognised as at that date. Further, the disclosure of diluted earnings per share under AASB 133 is not considered relevant to users as cancellation of all options on issue will be confirmed on the full implementation of the DOCA

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

k) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Trademarks

Trademarks are recognised at cost of acquisition. Trademarks have an infinite life and are tested annually for impairment and carried at cost less accumulated impairment losses.

l) Biological Assets

The Consolidated Group has interests in forestry plantations, through plantation areas established and maintained on its own account.

Forestry plantations owned by the Consolidated Group are valued at fair value at each reporting date and the increment or decrement in the fair value between reporting periods is recognised in the Statement of Comprehensive Income. Fair value is determined annually by independent valuation.

As there is no active and liquid market for immature forestry plantations, fair value less estimated point of sale costs is based on forecast plantation growth and yields and forecast net present values of future net cash flows from harvest and the costs of maintaining plantations to maturity.

m) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected cash flows.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

n) Equity-settled Compensation

The fair value of the options to which directors and employees become entitled is measured at grant date and recognised over the period in which the directors and employees become unconditionally entitled to the equity. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of options expected to be vested is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

o) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

p) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

q) Revenue and Other Income

Revenue is measured at fair value of the consideration received or receivable.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria for each of the Group's activities as described below.

Revenue from the hire of equipment provided is recognised where the right to be compensated for the services can be reliably measured.

Revenue from the provision of services is recognised in proportion to the degree of completion of the transaction at the reporting date.

Construction revenue has been recognised on the basis of the proportion of the contract costs incurred for the work performed to date, relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be reliably measured and its receipt is considered probable.

Establishment and other management fees comprise revenue earned through the provision of products or services to syndication entities.

Gain or loss on disposal is calculated as the difference between the net proceeds on disposal and the carrying amount of the asset at the time of disposal.

Interest income is accrued on a time basis with reference to the principal amount outstanding and the effective interest rate applicable.

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

r) Borrowing Costs

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

All other borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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 components of investing and financing activities, which are disclosed as operating cash flows.

t) Segment Accounting Policies

As of 1 July 2009, operating segments are identified, and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker. For Viento Group Limited, its chief operating decision maker is the board of directors.

Whilst the group has forestry interests, the Group's main focus has been on mining services and managed investments, which is where it derives most of its income from. Furthermore, Viento Group Limited has no geographical segment disclosure as all of its operations are in Australia.

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

u) Comparative Figures

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

v) Rounding of Amounts

The parent entity has applied the relief available to it in ASIC Class Order 98/100 and, accordingly amounts in the financial report and directors' report have been rounded to the nearest thousand dollars.

w) Critical Accounting Estimates and Judgments

The preparation of financial statements requires directors and management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and judgements are continually evaluated and are based on historical experience, current trends and economic data, obtained both externally and within the group, including expectations future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Key Estimates and Judgements - Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Recognition of tax losses

In accordance with the Group's accounting policies for deferred taxes a deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise those losses. Determination of future taxable profits requires estimates and assumptions as to future events and circumstances. This includes estimates and judgements about future capital requirements, future operations performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

x) New Accounting Standards for application in Future Periods

At the date of authorisation of the financial statements the following Standards and Interpretations were issued but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards ¹	1 July 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective Date of AASB 15', and AASB 2016-3 'Amendments to Australian Accounting Standards – Clarifications to AASB 15'	1 July 2018	30 June 2019
AASB 16 'Leases'	1 July 2019	30 June 2020
AASB 1057 'Application of Australian Accounting Standards' and AASB 2015-9 'Amendments to Australian Accounting Standards – Scope and Application Paragraphs'	1 July 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 July 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 July 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 July 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 July 2016	30 June 2017
AASB 2015-9 'Amendments to Australian Accounting Standards – Scope and Application Paragraphs'	1 July 2016	30 June 2017
AASB 2016-1 'Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses'	1 July 2017	30 June 2018
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'	1 July 2017	30 June 2018
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 July 2018	30 June 2019
AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle	1 July 2017	30 June 2018
AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 July 2018	30 June 2019

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$000	\$000
2. REVENUE		
Sales Revenue		
– Subdivision Fees	33	1,257
– Management Fees	28	160
– Mining Services income	78,530	100,332
– Interest Received	14	40
– Other Revenue	1,179	746
Total Revenue	<u>79,784</u>	<u>102,535</u>

3. PROFIT FOR THE YEAR

(a) Expenses

Depreciation of non-current assets		
– Plant and equipment	(3,996)	(6,990)
Rental expense on operating leases		
– Minimum lease payments	(3,583)	(2,839)
Impairment of debtors - Bad and doubtful debts		
– Trade debtors	-	26
– Other debtors	-	(75)

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$000	\$000
4. INCOME TAX		
a. The components of tax expense/(benefit) comprise:		
Current tax	-	1,974
Deferred tax	N/A	(1,307)
Under/(over) provision in respect of prior years	-	43
	<u>N/A</u>	<u>710</u>
b. Prima facie tax payable on profit/(loss) before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit/(loss) before income tax at 30% (2014: 30%)	N/A	563
	<u>N/A</u>	<u>563</u>
Add: Tax effect of:		
- other non allowable items	-	350
- net capital gain (after recoupment of losses)	-	116
	<u>-</u>	<u>466</u>
Less: Tax effect of:		
- Discontinued operations	-	-
- Other net timing differences	-	-
- Write off DTA/DTL	N/A	217
- Recoupment of prior year tax losses/adjustments	-	(536)
Income tax (benefit)	N/A	(319)
Income tax expense/(benefit) attributable to entity	<u>N/A</u>	<u>710</u>

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

5 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key Management Personnel Compensation

	CONSOLIDATED GROUP	
	2015	2014
	\$	\$
Short Term Employee Benefits	1,166,367	1,382,640
Post-Employment Benefits	17,253	18,955
Share Based Payments	-	170,160
	1,183,620	1,571,755

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report.

(b) Option Holdings

Number of Options Held by Key Management Personnel

	Balance 1.7.14	Granted as Compensation	Options Exercised	Net Change Other	Balance 30.6.15	Total Vested 30.6.15	Total Exercisable 30.6.15	Total Unexercisable 30.6.15
Directors								
Mr R Munro	1,200,000	-	-	-	1,200,000	600,000	600,000	600,000
Mr R Nichevich	1,800,000	-	-	600,000	1,200,000	600,000	600,000	600,000
Mr J Farrell	1,800,000	-	-	600,000	1,200,000	600,000	600,000	600,000
Mr J Silverthorne	1,800,000	-	-	600,000	1,200,000	600,000	600,000	600,000

These options were cancelled on 30 June 2016 as part of the resignation of Directors pursuant to the recapitalisation proposal under the DOCA.

	Balance 1.7.13	Granted as Compensation	Options Exercised	Net Change Other	Balance 30.6.14	Total Vested 30.6.14	Total Exercisable 30.6.14	Total Unexercisable 30.6.14
Directors								
Mr R Munro	-	1,800,000	600,000	-	1,200,000	600,000	-	1,200,000
Mr R Nichevich	1,800,000	-	-	-	1,800,000	600,000	600,000	1,200,000
Mr J Farrell	1,800,000	-	-	-	1,800,000	600,000	600,000	1,200,000
Mr J Silverthorne	1,800,000	-	-	-	1,800,000	600,000	600,000	1,200,000
Mr S Heffernan ¹	100,000	-	-	(100,000)	-	-	-	-

¹ Mr Heffernan resigned as a director effective from 28 March 2014

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

5. KEY MANAGEMENT PERSONNEL COMPENSATION (cont)

Other Key Management Personnel²

Mr D R Wright	900,000	-	-	(900,000)	-	-	-
Mr P Pearcey	1,666,666	-	-	(1,666,666)	-	-	-
Mr M Silverthorne	1,666,666	-	-	(1,666,666)	-	-	-
Mr J Gallop	600,000	-	-	(600,000)	-	-	-

² Messrs Wright, Pearcey, Silverthorne and Gallop are no longer considered Key Management Personnel.

(c) Shareholdings

Number of Shares Held by Key Management Personnel

	Balance 1.7.14	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.15
Key Management Personnel					
Directors					
Mr R C Munro	7,100,000	-	-	-	7,100,000
Mr R C Nichevich	10,860,000	-	-	-	10,860,000
Mr R S De Mol ¹	11,344,189	-	-	(11,344,189)	-
Mr N J Silverthorne	8,239,914	-	-	-	8,239,914

¹ Mr De Mol resigned on 28 August 2014

	Balance 1.7.13	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.14
Key Management Personnel					
Directors					
Mr R C Munro ¹	-	-	600,000	6,500,000	7,100,000
Mr R C Nichevich	10,860,000	-	-	-	10,860,000
Mr R S De Mol ²	-	-	-	11,344,189	11,344,189
Mr N J Silverthorne	10,739,914	-	-	(2,500,000)	8,239,914

¹ Mr Munro was appointed on 3 July 2013. Upon joining the board Mr Munro had 4,000,000 shares.

² Mr De Mol was appointed on 2 January 2014.

Other Key Management Personnel³

Mr D Wright	20,000	-	-	(20,000)	-
Mr P Pearcey	900,000	-	-	(900,000)	-
Mr M Silverthorne	867,722	-	-	(867,722)	-
Mr J Gallop	580,000	-	-	(580,000)	-

³ Messrs Wright, Pearcey, Silverthorne and Gallop are no longer considered Key Management Personnel.

(d) Loans to Key Management Personnel

There are no loans to key management personnel.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	CONSOLIDATED	
	2015	2014
	\$	\$
6. AUDITOR'S REMUNERATION		
Remuneration of the auditor of the consolidated group for:		
<i>Crowe Horwath Perth</i>		
Auditing and reviewing the financial report	-	176,000
 <i>Deloitte</i>		
Auditing and reviewing the financial report	72,000	-
Other regulatory audit services	-	-
	<u>72,000</u>	<u>176,000</u>
 <i>Deloitte</i>		
Non-Audit Services	23,675	-
Total	<u>95,675</u>	<u>176,000</u>

7. DIVIDENDS

No recommendation has been made for payment of a final dividend for the year ended 30 June 2015 (2014: nil).

During the 2014 year the Group obtained shareholder approval under section 256C of the Corporations Act to allow a reduction in the Company's share capital by way of an in specie distribution of Qld Iron Shares held by Viento to the Eligible Viento Shareholders under section 256B of the Corporations Act. The Capital Reduction was satisfied by a pro rata in specie distribution to each Eligible Viento Shareholder of one Qld Iron Share for every one Viento Share held by that Eligible Viento Shareholder as at the Record Date of 18 September 2013. From 18 September 2013 the Group no longer had control of Qld Iron Limited.

	CONSOLIDATED	
	2015	2014
	\$000	\$000
8. EARNINGS PER SHARE		
(a) Reconciliation of earnings to profit		
(Loss)/Profit	N/A	1,167
Earnings used to calculate basic and dilutive EPS	N/A	1,167
 (b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		
	93,228,892	84,293,148
Weighted average number of options outstanding during the year used in the calculation of dilutive EPS *	-	2,507,651
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	<u>93,228,892</u>	<u>86,800,799</u>
 *There is no effect of dilution in the EPS calculation as the Company has made a loss in the current year		
(c) Basic Earnings Per Share		
	N/A	1.38
Diluted Earnings Per Share	<u>N/A</u>	<u>1.34</u>

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

9. CASH AND CASH EQUIVALENTS

	2015	2014
	\$000	\$000
	-	8,021
Cash at bank and in hand	-	8,021

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the Statement of Financial Position as follows:

Cash and cash equivalents	-	8,021
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The Commonwealth Bank held performance guarantees relating to the rental of the Osborne Park office premises to the value of nil (2014: \$147,340). This amount was held on term deposit with the bank and appears in the Statement of Financial Position under Other Current Assets. Viento holds a deposit for run off insurance related to the sale of the property business in the amount of \$nil (2014: \$91,988).

	2015	2014
	\$000	\$000
10. TRADE AND OTHER RECEIVABLES		
Current		
Term debtors	-	1,100
Less provision for doubtful debts	-	(14)
Trade debtors	-	21,169
Less provision for doubtful debts	-	(186)
Other debtors	-	4,618
Less provision for doubtful debts	-	(249)
	-	26,438
Non-Current		
Other debtors	-	88
	-	88

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
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		2015	2014
		\$000	\$000
11. INVENTORIES			
	Work in progress – at cost	-	8,108
	Consumables and store items – at cost	-	292
		<u>-</u>	<u>8,400</u>
12. FINANCIAL ASSETS			
	Current Financial Assets Available for Sale	-	6
	Non-Current Financial Assets Available for Sale	-	2,669
	Total Financial Assets Available for Sale	<u>-</u>	<u>2,675</u>
	Available for sale financial assets comprise:		
	Investments at fair value		
	- shares in listed corporations	-	6
	- units in property syndicates (Southern River Syndicate)	-	2,635
	- units in Kingscliff land unit trust	-	3
	- interest in Cudgen Joint Venture	-	31
		<u>-</u>	<u>2,675</u>
13. OTHER ASSETS			
	Other Current Assets		
	Prepayments	-	1,791
		<u>-</u>	<u>1,791</u>
14. CONTROLLED ENTITIES			
	(a) Controlled Entities		
	Parent Entity		
	Viento Group Limited	Aust	
	Subsidiaries of Viento Group Limited		
	Viento Equipment Hire Pty Ltd	Aust	100
	Viento Contracting Services Pty Ltd	Aust	75
	Viento Mining Services Pty Ltd	Aust	100
	Mineworks Group Pty Ltd	Aust	70
	KVG Joint Venture Pty Ltd	Aust	50
	HVLV Pty Ltd	Aust	100
	Power Infrastructure Services Pty Ltd	Aust	65
	Viento Utility Services Pty Ltd	Aust	100
	Eurosprings Viento Pty Ltd (est 2014)	Aust	50
	Viento Finance Pty Ltd	Aust	100
	Viento Forestry Pty Ltd	Aust	100

All entities have a financial year end of 30 June 2015.

On 22 April 2015 the company was placed into Voluntary Administration and as of this date control of all the Subsidiaries were transferred to the Administrators acting on behalf of the creditors.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
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	2015	2014
	\$000	\$000
15. PLANT AND EQUIPMENT		
Plant and equipment at cost	-	25,049
Accumulated depreciation	-	(7,791)
Total plant and equipment	-	17,258

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

Balance at the beginning of the year	17,258	16,121
Acquisition of HVLV plant and equipment	-	1,843
Acquisition of Power Infrastructure Services plant and equipment	-	230
Additions	-	3,973
Disposals	(13,262)	(648)
Depreciation expense	(3,996)	(4,261)
Carrying amount at the end of the year	-	17,258

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
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	2015	2014
	\$000	\$000
16. INTANGIBLE ASSETS		
Goodwill		
Goodwill at cost	-	13,688
Accumulated impaired losses	-	(2,182)
Net carrying value	-	11,506
Trademarks		
Trademarks at cost	-	14
Accumulated impaired losses	-	-
Net carrying value	-	14
Identifiable intangible assets		
Customer contracts at cost	-	4,279
Accumulated amortisation	-	(2,727)
Net carrying value	-	1,552
Total Intangibles	-	13,072

Following the company being placed into Voluntary Administration all Goodwill, Trademarks and identifiable intangible assets were derecognised.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill	Trademarks	Customer	Total
	\$000	\$000	contracts	\$000
			\$000	
Consolidated				
Balance at 1 July 2013	150	14	-	164
Additions through business combinations (note 49)	11,356	-	4,279	15,635
Amortisation expense	-	-	(2,727)	(2,727)
Balance at 30 June 2014	11,506	14	1,552	13,072
Derecognition	(11,506)	(14)	(1,552)	(13,072)
Balance at 30 June 2015	-	-	-	-

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
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	2015	2014
	\$000	\$000
17. TRADE & OTHER PAYABLES		
Current		
Trade creditors	N/A	4,732
Sundry creditors and accruals	N/A	14,541
	<u>N/A</u>	<u>28,049</u>
18. TAX		
(a) Assets		
NON-CURRENT		
Deferred tax assets comprises:		
Provisions	N/A	638
Impairment of assets	-	872
Future income tax benefits of losses	-	1,259
Other	-	300
	<u>N/A</u>	<u>3,069</u>
Movements in deferred tax assets:		
Opening balance	3,069	3,945
Credited/(Charged) to Statement of Comprehensive Income	(3,069)	(1,308)
Current year – (charge)/credit to equity	-	432
Closing balance	<u>-</u>	<u>3,069</u>
In 2015 the group recognised a future income tax benefit from losses of \$ nil (2014: \$1,259,000) as management considers that the losses will be not be utilised against future income based on the fact that there is uncertainty regarding the future income of the group.		
(b) Liabilities		
NON-CURRENT		
Deferred tax liabilities comprise:		
Reinstatement DTL to Statement of Comprehensive Income	-	893
	<u>-</u>	<u>893</u>
Movements in deferred tax liabilities:		
Opening balance	716	893
Current year - credit to Statement of Comprehensive Income	N/A	(177)
Closing balance	<u>N/A</u>	<u>716</u>

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
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	2015	2014
	\$000	\$000
19. PROVISIONS		
Analysis of Total Provisions		
Current Employee Benefits	N/A	1,213
Total Current Provisions	N/A	1,213
Non-Current Employee Benefits – Long Service Leave	N/A	5
	N/A	1,218
Employee Benefits Current – Annual Leave		
Amount at the start of the year	1,213	244
Acquisition of HVLV Pty Ltd	-	214
Acquisition of Power Infrastructure Services Pty Ltd	-	39
Amount charged to the provision as an expense	707	848
Amount of provision utilised during the year	N/A	(132)
Closing balance of the provision	N/A	1,213
Employee Benefits Non-Current – Long Service Leave		
Amount at the start of the year	5	20
Amount charged to the provision as an expense	292	-
Amount of provision utilised during the year	N/A	(15)
Closing balance of the provision	N/A	5
	N/A	1,218
20. OTHER LIABILITIES		
Current		
Unearned income	N/A	41
Non - Current		
Rental bond refundable	N/A	57
21. LOANS AND BORROWINGS		
A. BORROWINGS IS COMPRISED OF:		
Current		
Finance lease liability	N/A	5,473
Debtor finance facility	N/A	553
Insurance premium funding	N/A	1,110
Borrowings	N/A	2,000
	N/A	9,137

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

21. LOANS AND BORROWINGS (cont)

	2015	2014
	\$000	\$000
Non-Current		
Finance lease liability	N/A	3,689
Borrowings	N/A	4,500
Convertible notes	N/A	7,618
Deferred consideration	N/A	3,000
	<hr/>	<hr/>
	N/A	18,807
Group Total	<hr/>	<hr/>
	N/A	27,944

B. FINANCE FACILITIES

2015

Description	Face Value (Limit)	Utilised Amount	Unutilised Amount
	\$'000s	\$'000s	\$'000s
Asset Financing	12,455	N/A	-
Loans and borrowings	6,500	N/A	-
Insurance Premium Funding	1,110	N/A	-
Overdraft facility	3,000	N/A	-
Bank guarantee facility	5,500	N/A	-
Debtor finance facility	1,500	N/A	-

2014

Description	Face Value	Utilised Amount	Unutilised Amount
	\$'000s	\$'000s	\$'000s
Asset Financing	12,455	9,162	3,293
Loans and borrowings	6,500	6,500	-
Insurance Premium Funding	1,110	1,110	-
Overdraft facility	3,000	-	3,000
Bank guarantee facility	5,500	4,383	1,117
Debtor finance facility	1,500	553	947

To facilitate the acquisition of its mining fleet, Viento entered into various equipment finance agreements with financiers. The interest rates on these loan contracts are fixed for 24-60 months at an average rate of 6.99% (2014: 7.36%). At 30 June 2015, the net carrying amount of leased plant and equipment was \$nil (2014:\$14,807,103). During the year, the Group acquired leased assets of \$1,505,967 (2014: \$2,879,579). The total leased assets included assets that are 100% leased and partially leased.

Insurance Premium Funding

During the prior year Viento Group Limited secured insurance premium funding to cover its annual insurance expenses. The facility was with Macquarie Premium Funding and the interest rate applicable is fixed at 1.28% pa. The total premium financed was \$1,110,000.

C. SECURITY

Security comprises a first ranking combination and general security interest over the assets of the Group and an asset security interest relating to the assets purchased under each agreement. Refer to Note 21(b).

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
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	2015	2014
	\$000	\$000
22. ISSUED CAPITAL		
Ordinary shares on issue 1 July	29,646	26,437
Shares issued	969	3,004
Exercise of share options	-	205
Shares on issue at 30 June	30,615	29,646

Refer to Note 8 Earnings per share for details about the weighted average number of shares outstanding. The company does not have authorised capital or par value in respect of its issued shares. The total number of shares outstanding at 30 June 2015 are 96,371,511.

(a) Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

During the year the number of shares on issue changed as a result of several transactions including being used as consideration for the acquisitions of HVLV Pty and Power Infrastructure Services Pty Ltd, refer to note 14.

(b) Partly Paid Shares

There were no partly paid shares outstanding at any time during the year.

(c) Options

(i) For information relating to any share options issued to key management personnel during the financial year and the options outstanding at year-end, refer to Note 31.

(ii) For information relating to options issued, exercised and lapsed during the financial year and the options outstanding at year-end refer to Note 31.

23. RESERVES

Share Based Payment Reserve

The share based payment reserve records items in relation to the valuation of employee shares and share options.

Financial Assets Reserve

The financial assets reserve records revaluations of financial assets and some deferred tax.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
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24. SEGMENT INFORMATION

Operating segments are based on the internal reports reviewed by the Board that are used to make strategic decisions. The Board assesses the performance of the operating segments based on revenue, EBIT, EBITDA and profit before tax.

The operating segments are identified by the Board based on the nature of the services provided. The entity is organised into the following divisions by service type. The operating segments disclosed in this financial report were determined by the previous directors reflecting the previous operations of the Company. Following the appointment of administrators and the execution of a DOCA, the structure of the Company has significantly changed and as such will not be relevant for subsequent reporting periods.

Mining Services

Viento provides services in civil contracting for the mining industry focused on the Pilbara in Western Australia. These services include works on rail embankments, access roads, tailings dams, general mine infrastructure projects, mine pre-stripping, contract mining and utility services to the mining, oil & gas industries.

Managed Funds

Viento retains the management of two West Australian based residential land subdivision property syndicates.

Electrical and Power

Viento provides electrical services including the provision of switchrooms and related power services for the mining and oil and gas industries.

Intersegment Eliminations

Represents transactions which are eliminated on consolidation in the Statement of Profit or Loss. Assets and liabilities are eliminated in their respective segments.

	Mining Services	Managed Funds	Electrical and Power	Inter Segment Eliminations	Total
	\$000	\$000	\$000	\$000	\$000
2015					
Revenue from external customers	54,790	61	24,919	-	79,770
Inter segment revenue	8,652	-	8	(8,660)	-
Total revenue	63,442	61	24,927	(8,660)	79,770
Interest income	12	-	2	-	14
Segment revenue	63,454	61	24,929	(8,660)	79,784
Segment EBITDA	4,631	61	(33,248)	-	(28,556)
Depreciation expense	(3,457)	-	(394)	-	(3,851)
Amortisation expense	(145)	-	-	-	(145)
Segment EBIT	1,029	61	(33,642)	-	(32,552)
Interest income	12	-	2	-	14
Interest expense	(1,467)	-	(201)	-	(1,668)
Segment result	(426)	61	(33,841)	-	(34,206)
Income tax expense					N/A
Profit/(Loss) on derecognition of net assets					N/A
Net profit					N/A
Segment assets	-	-	-	-	-
Segment liabilities	N/A	N/A	N/A	N/A	N/A

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

24. SEGMENT INFORMATION (cont)

	Mining Services	Managed Funds	Electrical and Power	Inter Segment Elimination s	Total
	\$000	\$000	\$000	\$000	\$000
2014					
Revenue from external customers	60,597	4,584	37,314	-	102,495
Inter segment revenue	6,071	-	4,662	(10,733)	-
Total revenue	66,668	4,584	41,976	(10,733)	102,495
Interest income	(184)	210	14	-	40
Segment revenue	66,484	4,794	41,990	(10,733)	102,535
Segment EBITDA	8,513	(1,126)	3,525	-	10,912
Depreciation expense	(3,832)	(183)	(2,975)	-	(6,990)
Impairment expense	-	-	-	-	-
Bad and doubtful debts expense	(71)	-	22	-	(49)
Segment EBIT	4,610	(1,309)	572	-	3,873
Interest income	(184)	210	14	-	40
Interest expense	(1,359)	(86)	(591)	-	(2,036)
Segment result	3,067	(1,185)	(5)	-	1,877
Income tax benefit					(710)
Profit for the period					1,167

	Mining Services	Managed Funds	Electrical and Power	Inter Segment Elimination s	Total
	\$000	\$000	\$000	\$000	\$000
Segment assets	34,582	7,296	39,044	-	80,922
Segment liabilities	23,975	13,247	22,690	-	59,912
Acquisition of property, plant and equipment	3,741	-	232	-	3,973

25. INTEREST IN JOINT VENTURES

(a) Interest in Joint Ventures

- i) The Group entered into a joint venture with Indigenous Construction Resource Group Pty Ltd (ICRG) and were awarded a contract by Rio Tinto worth approximately \$5.7 million to construct and commission an expansion of the Paraburdoo Tailings Storage Facility. The works under the contract commenced in May 2014 and were completed in August 2014.
- ii) The consolidated group had a 7% interest in the Cudgen Joint Venture, whose principal activity is to rezone and subsequently develop approximately 40 hectares of land into residential lots in Kingscliff, New South Wales.

The Company no longer holds title to the joint ventures following the appointment of administrators.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$000	\$000
26. CAPITAL AND LEASING COMMITMENTS		
Operating lease commitments		
Non cancellable operating leases contracted for but not provided in the financial statements		
Payable:		
- not later than 12 months	N/A	3,510
- between 12 months and 5 years	N/A	10,348
- greater than 5 years	N/A	1,800
	<u>N/A</u>	<u>15,658</u>

The operating lease commitments related predominately to the rental of properties.

During 2014 Viento assumed the lease commitments of two leased premises in Hazelmere, Western Australia (expiring 30 April 2020) for the amount of \$2,159,842 per annum as part of the acquisition of HVLV Pty Ltd. The leases were cancelled following the appointment of the administrators.

Finance lease commitments

Finance leases were entered into to facilitate the acquisition of its mining fleet. Refer to Note 22(b) for the terms of the loan contracts.

Payable:		
- not later than 12 months	N/A	6,584
- between 12 months and 5 years	N/A	3,658
- greater than 5 years	N/A	-
	<u>N/A</u>	<u>10,242</u>

27. CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities outstanding as at 30 June 2015.

	2015	2014
	\$000	\$000
28. CASH FLOW INFORMATION		

(a) Reconciliation of Cash Flow from Operations with the Profit after Income Tax

(Loss) / profit after income tax	N/A	1,167
Depreciation and amortisation	3,996	6,990
Reversal of impaired receivable	-	(46)
Employee benefits expense	-	608
<i>Changes in Assets and Liabilities</i>		
(Increase)/decrease in receivables and other assets	15,405	(1,268)
(Increase)/decrease in inventories	(30)	(3,292)
Increase/(decrease) in payables and provisions	N/A	8,221
Increase / (decrease) in income tax balances	N/A	710
Cash flows (used in)/ from operations	<u>N/A</u>	<u>13,090</u>

(b) Non cash investing and financing activities

Acquisition of plant & equipment by means of hire purchases	1,623	2,880
Insurance premium funding	-	1,976
	<u>1,623</u>	<u>4,855</u>

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

29. RELATED PARTIES

(a) Parent entity

The parent entity within the Group is Viento Group Limited.

(b) Key management personnel

Disclosures relating to key management personnel remuneration and loan arrangements are set out in the Remuneration Report, Note 5 and Note 10(b).

(c) Associated entities

During the year the group borrowed \$1,400,000 from director Raymond Munro. \$300,000 was repaid under the terms of the loan. \$32,000 interest was capitalised to the loan balance.

During the year the group sub leased office space to Mitie Constructions Pty Ltd, a related party of Mr Farrell (director). The sublease was entered into on arms' length terms. The revenue for the year recognised in the consolidated income is \$89,000 and the trade debtors balance at 30 June 2015 is \$nil.

During the year the group provided equipment hire to Mitie Constructions Pty Ltd, a related party of Mr Farrell (director). The equipment hire was entered into on arms' length terms. The revenue for the year recognised in the consolidated income is \$28,000 and the trade debtors balance at 30 June 2015 is \$nil.

During the year the group sub leased property space to JMG Transport Pty Ltd, a related party of Mr Silverthorne (director). The services were provided on arms' length terms. The revenue for the year recognised in the consolidated income is \$10,000 and the trade debtors balance at 30 June 2015 is \$nil.

During the year the group provided workshop services to JMG Transport Pty Ltd, a related party of Mr Silverthorne (director). The services were provided on arms' length terms. The revenue for the year recognised in the consolidated income is \$187,000 and the trade debtors balance at 30 June 2015 is \$nil.

During the year the group received transport services and plant hire from JMG Transport Pty Ltd, a related party of Mr Silverthorne (director). The services were provided on arms' length terms. The expense for the year recognised in the consolidated expenses is \$1,026,000.

During the year the group received equipment hire and management services from Koodaideri Pty Ltd, a 50% shareholder in the company subsidiary KVG Contracting Services Pty Ltd. The services were provided on arms' length terms. The expense for the year recognised in the consolidated expenses is \$729,000.

During the year the group provided equipment hire to Koodaideri Pty Ltd, a 50% shareholder in the company subsidiary KVG Contracting Services Pty Ltd. The services were provided on arms' length terms. The income for the year recognised in the consolidated income is \$515,000 and the trade debtors balance at 30 June 2015 is \$nil.

During the year the group received construction services from Kimberley Pipelines Pty Ltd, a 50% shareholder in the company subsidiary Viento Kimberley Pipelines Pty Ltd. The services were provided on arms' length terms. The expense for the year recognised in the consolidated expenses is \$1,862,000.

During the year the group provided plant and labour hire services to Kimberley Pipelines Pty Ltd, a 50% shareholder in the company subsidiary Viento Kimberley Pipelines Pty Ltd. The services were provided on arms' length terms. The income for the year recognised in the consolidated expenses is \$313,000 and the trade debtors balance at 30 June 2015 is \$nil.

During the year the group provided hire services to Aus-com Training Services Pty Ltd, a related party of Mr Silverthorne (director). The services were provided on arms' length terms. The revenue for the year recognised in the consolidated income is \$1,000 and the trade debtors balance at 30 June 2015 is \$nil.

During the year the group received training services and plant hire from Aus-com Training Services Pty Ltd, a related party of Mr Silverthorne (director). The services were provided on arms' length terms. The expense for the year recognised in the consolidated expenses is \$140,000.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

29. RELATED PARTIES (cont)

During the year the group provided workshop services to Northwest Quarries Pty Ltd, a related party of Mr Silverthorne (director). The services were provided on arms' length terms. The revenue for the year recognised in the consolidated income is \$10,000 and the trade debtors balance at 30 June 2015 is \$nil.

During the year the group leased property space from Northwest Quarries Pty Ltd, a related party of Mr Silverthorne (director). The services were provided on arms' length terms. The expense for the year recognised in the consolidated expenses is \$12,000.

During the year the group received mining related products and services from Northwest Quarries Pty Ltd, a related party of Mr Silverthorne (director). The services were provided on arms' length terms. The expense for the year recognised in the consolidated expenses is \$166,000.

During the year the group sold a motor vehicle to Mandurah Kia, a related party of Mr Farrell (director). The sale was entered into on arms' length terms. The proceeds from sale for the year recognised in the consolidated accounts is \$34,000 and the trade debtors balance at 30 June 2015 is \$nil.

During the year the group purchased motor vehicles from Mandurah Kia, a related party of Mr Farrell (director). The purchase was entered into on arms' length terms. The purchases for the year recognised in the consolidated accounts is \$65,000.

During the year the group received motor vehicle services from Mandurah Kia, a related party of Mr Farrell (director). The services were provided on arms' length terms. The expense for the year recognised in the consolidated accounts is \$5,000.

During the year the group received mining related products and services from JRM Resources Pty Ltd, a related party of Mr Silverthorne (director). The services were provided on arms' length terms. The expense for the year recognised in the consolidated expenses is \$161,000.

During the year the group leased property from the De Mol Investment Trust a related party of Mr De Mol (director). The services were provided on arms' length terms. The expense for the year recognised in the consolidated expenses is \$3,148,000.

During the year the group leased property from the Silverthorne Trust a related party of Mr Silverthorne (director). The services were provided on arms' length terms. The expense for the year recognised in the consolidated expenses is \$39,000.

During the year the group received mining related products and services from JSW Pty Ltd, a related party of Mr Silverthorne (director). The services were provided on arms' length terms. The expense for the year recognised in the consolidated expenses is \$253,000.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
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29. RELATED PARTIES (cont)

	2015	2014
	\$000	\$000
Loans to associated entities:		
Balance as at beginning of period	37	1,137
Loans advanced	-	130
Loan repayments received	(12)	(1,230)
Loan disposed	(25)	-
	<u>-</u>	<u>37</u>
Amounts recognised as revenue or expense:		
- Property rental revenue	99	501
- Mining services revenue	1,054	749
- Mining supply expenses	(3,176)	(931)
- Property rental expense	(3,199)	(1,631)
- Transport services expense	(1,026)	(790)
- Training services expense	(140)	(247)
- Consultancy services	-	(18)
PP&E		
- Purchase of PP&E	(65)	
- Proceeds from sale of PP&E	34	15

(d) Balance and terms of loans to related parties

Related Party – Current Assets

Mitie Constructions	-	6
Aus-com	-	2
JMG Transport	-	8
Koodaideri	-	259
Total	<u>-</u>	<u>275</u>

Related Party – Current Liabilities

Northwest Quarries	-	83
Aus-com	-	27
The Demol Investment Trust	-	177
JRM	-	6
JSW	-	163
Total	<u>-</u>	<u>456</u>

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

30. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and loans to and from subsidiaries and financial institutions. The main purpose of non-derivative financial instruments is to raise finance for Group operations. Derivatives are not used by the Group.

a. Treasury Risk Management

Senior executives of the Group meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

b. Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

The Group manages interest rate risk by fixing its equipment finance debt and monitoring forecast cash flows.

Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows, restructuring financial arrangements and ensuring that adequate cash is available to meet its obligations. The Group's currently has no exposure to liquidity risk.

Credit Risk

At balance date the maximum exposure to credit risk to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the financial statements. Credit risk is managed to ensure that customers are of sound credit worthiness and monitoring is used to recover aged debts and assess receivables for impairment. Credit terms are generally 30 days from the invoice date. The Group has no significant concentration of credit risk with any single party.

c. Capital Management

Management used the capital of the group primarily to operate, grow and develop the mining services businesses.

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.

(b) Financial Instruments

(i) Financial Instrument Composition and Maturity Analysis

The tables on the following pages reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
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30. FINANCIAL RISK MANAGEMENT (cont)

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing Within 1 Year		1 to 5 Years		Over 5 Years		Floating Interest Rate		Non-interest Bearing		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Consolidated Group														
Financial assets														
Cash and cash equivalents	0.50%	1.00%	-	-	-	-	-	-	-	8,021	-	-	-	8,021
Receivables	0.00%	0.00%	-	-	-	-	-	-	-	-	-	26,526	-	26,526
Investments		-	-	-	-	-	-	-	-	-	-	2,675	-	2,675
Other current assets		-	-	-	-	-	-	-	-	-	-	1,791	-	1,791
Total Financial Assets			-	-	-	-	-	-	-	8,021	-	30,992	-	39,013
Financial liabilities														
Trade and sundry payables		-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	31,250	N/A	31,250
Loans & Borrowings	6.99%	5.72%	N/A	6,583	N/A	6,583	N/A	-	N/A	6,500	N/A	-	N/A	27,944
Total Financial Liabilities			N/A	6,583	N/A	6,583	N/A	-	N/A	6,500	N/A	31,250	N/A	59,194

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
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30. FINANCIAL RISK MANAGEMENT (cont)

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value (FV) hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	2015				2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets								
Listed Investments - shares in listed corporations	-	-	-	-	6	-	-	6
Unlisted investments, at FV - units in property syndicates	-	-	-	-	-	2,635	-	2,635
Unlisted investments, at FV - units in unlisted trust	-	-	-	-	-	-	3	3
Unlisted investments, at FV - interest in associates	-	-	-	-	-	-	31	31
	-	-	-	-	6	2,635	1,753	4,394

Included within level 1 hierarchy are listed investments which are valued based on the share price at reporting date.

Included within level 2 hierarchy are units in an unlisted property trust managed by Viento. These valuations are based on the historic transaction value. No impairment is considered to exist and they have not been re-valued. The unit's value will be redeemed over the remaining term of the syndicate.

Level 3 assets are carried at the value implied by their most recent transaction value. Other assets have been considered for impairment using a combination of techniques including comparisons of recent similar asset sales, historic and recent external valuations as well as negotiations taking place at the date of this report.

Trade Debtors

Trade debtors are non-interest bearing and are generally received on 30 to 60 day terms.

	2015	2014
	\$000	\$000
The ageing analysis of trade debtors is as follows:		
0 – 30 days	-	16,180
31 – 60 days	-	4,483
61 – 90 days *	-	251
91 days + *	-	255
Trade Debtors	-	21,169

* considered past due but not impaired

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

30. FINANCIAL RISK MANAGEMENT (cont)

Trade Creditors

Trade creditors are non-interest bearing and are generally paid on 14-45 day terms.

	2015	2014
	\$000	\$000
The ageing analysis of trade creditors is as follows:		
Less than 6 months	N/A	13,528
6 months to 1 year	N/A	-
1 to 5 years	N/A	-
Over 5 years	N/A	-
	<u>N/A</u>	<u>13,528</u>

ii) Net Fair Values

The fair values of the Group's financial assets and liabilities are materially in line with their carrying values.

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at balance date.

The fair values of financial instruments that are not traded in an active market (for example, investments in unlisted trusts) are determined using valuation techniques. The Group uses a combination of discounted cash flows, recent sales prices and cost to determine value.

(iii) Sensitivity Analysis – Interest Rate Risk

At balance sheet date, if interest rates had changed by +/- 100 basis points from the year end rates, the Group's profit after tax and equity would have been impacted as follows:

	2015	2014
	\$000	\$000
Change in profit after tax		
- Increase in interest rate by 1%	N/A	65
- Decrease in interest rate by 1%	N/A	(65)
Change in equity		
- Increase in interest rate by 1%	N/A	65
- Decrease in interest rate by 1%	N/A	(65)

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

31. SHARE BASED PAYMENTS

Shares and options were issued in relation to the amended purchase price of HVLV. See note 35 for the restated Business Combination. There were no other share based expenses for the year ended 30 June 2015 (2014: \$608,000).

2015

On 24 December 2014 shareholders approved the following issue of shares in relation to the restated purchase price of HVLV Pty Ltd.

- 1) 6,500,000 new Viento shares issued at a deemed issue price of 14 cents per new Viento share;
- 2) 6,236,422 Viento unlisted options exercisable at 33 cents per share on or before 31 December 2017; and
- 3) 5,555,556 Viento unlisted options exercisable at 36 cents per share on or before 31 December 2019.

2014

On 10 October 2013 416,666 share options were granted to one employee of Viento for no consideration, in one tranche of 416,666. The exercise price of these options is \$0.30 and they are exercisable between 1 July 2014 and 30 June 2015. The options vest on 1 July 2014.

On 28 November 2013 1,800,000 share options were approved at the Annual General Meeting to be granted to key management personnel for no consideration, in three tranches.

- A first tranche (Tranche 1) of 600,000 options with an exercise price of \$0.25 each vesting following shareholder approval and exercisable on or before 30 June 2015;
- A second tranche (Tranche 2) of 600,000 options with an exercise price of \$0.40 each vesting 1 July 2014 and exercisable on or before 30 June 2016; and
- A third tranche (Tranche 3) of 600,000 options with an exercise price of \$0.60 each vesting on 1 July 2015 and are exercisable on or after 30 June 2017

All options granted are over ordinary shares in Viento Group Limited, which confer a right of one ordinary share for every option held.

	Consolidated Group			
	2015		2014	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Options outstanding at beginning of the year	14,226,664	0.281	12,999,998	0.375
Granted	11,791,978	0.344	2,216,666	0.395
Cancelled	(700,000)	0.600	-	-
Exercised	-	-	(990,000)	0.207
Expired	(7,926,664)	0.293	-	-
Outstanding at year-end	17,391,978	0.394	14,226,664	0.389
Exercisable at year-end	2,800,000	0.400	6,809,998	0.281

The options outstanding at 30 June 2015 had a weighted average exercise price of \$0.394 and a weighted average remaining contractual life of 2.82 years. The weighted average exercise price of all options outstanding at 30 June 2014 was \$0.389 and a weighted average remaining contractual life of 2.74 years.

Refer to Note 5 for details of options issued to key management personnel.

The weighted average fair value of options granted during the year was \$0.005. The fair value was calculated using a Black-Scholes option pricing model applying the following inputs.

- Weighted average exercise price \$0.344
- Weighted average life of the option 3.45 years
- Underlying share price \$0.049
- Expected share price volatility 70%
- Risk free average interest rate 2.34%.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

32. PARENT ENTITY DISCLOSURES

	2015	2014
	\$000	\$000
Current assets	-	2,028
Total assets	-	30,856
Current liabilities	N/A	2,527
Total liabilities	N/A	15,577
Total shareholders equity	N/A	15,279
<i>Includes Share Based Payment Reserve</i>	N/A	3,536
<i>Includes Financial Asset Reserve</i>	N/A	(36)
(Loss) profit for the year	N/A	(1,282)
Total comprehensive income for the year	N/A	(1,282)

Viento Group (as the parent entity) and the subsidiaries entered into a general security deed in relation to the bank debts (Commonwealth Bank) of the Group with the following entities:

Viento Equipment Hire Pty Ltd
Viento Contracting Services Pty Ltd
Mineworks Group Pty Ltd
Viento Utility Services Pty Ltd
Viento Forestry Pty Ltd
HVLV Pty Ltd
Power Infrastructure Services Pty Ltd

Viento Group entered a Deed of Cross Guarantee with HVLV Pty Ltd.

The Commonwealth Bank holds a security deposit guarantee relating to the rental of the Osborne Park Office to the value of N/A (2014: \$147,340).

The agent for the premises at 155 Lakes Road Hazelmere is holding a security deposit in the amount of N/A (2014: 109,000).

In addition Viento Group has given a bank deposit in the amount of \$91,988 (2014: \$91,988) to cover run off insurance relating to the sale of the Viento property businesses.

Details of any contractual commitments for the acquisition of property, plant or equipment – N/A (2014: Nil)

33. INTEREST IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries up to the date of loss of control in accordance with the accounting policy described in note 1.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

34. BUSINESS COMBINATIONS

On 14 November 2014, the Group renegotiated the purchase price of HVLV due to a significant profit down grade of the Project. The result had been a \$5.6 million write down in the value of goodwill in HVLV.

The fair value of the identifiable assets and liabilities of HVLV as at the date of acquisition was:

<i>Fair value of Consideration Transferred</i>	\$'000
Cash Paid	4
Consideration	3,995
Unlisted Options	59
Shares Issued	3,618
	7,676
Current Assets	
Cash and Cash Equivalents	2,523
Trade and Other Receivables	12,989
Inventory and work in progress	2,990
Other current assets	305
	18,807
Non-Current Assets	
Investment in Power Infrastructure Services Pty Ltd	300
Property, Plant and Equipment	1,843
Identifiable Intangible Assets	3,612
Deferred tax assets	364
	6,119
Current Liabilities	
Trade and other payables	9,560
Amount due to related parties	1,298
Loans and borrowings	8,355
Current tax liabilities	2,341
Provision	214
	21,768
Non-current Liabilities	
Interest Bearing Loans	24
Deferred Tax Liability	1,168
	1,192
Net identifiable assets acquired	1,966
Add Goodwill	5,710
	7,676
Consideration transferred settled in cash	(4)
Cash and cash equivalents acquired	2,523
Net Cash Flow inflow on acquisition	2,519
Acquisition costs charged to expenses	(524)
Net cash inflow relating to the acquisition	1,995

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

35. AFTER BALANCE DATE EVENTS

At a meeting held on 18 June 2015, creditors resolved for the Company to execute a Deed of Company Arrangement (“DOCA”). The Company entered into the DOCA on 9 July 2015. The DOCA appointed Messrs Richard Albarran, Brent Kijurina and Cameron Shaw of Hall Chadwick Chartered Accountants as deed administrators (Deed Administrators).

In accordance with the terms of the DOCA, following the DOCA’s execution the Company sold its material business assets and shareholdings to third parties pursuant to respective agreements which formed part of the DOCA.

Following the disposal of the Company’s business assets and shareholdings, Arowana Australasian Special Situations Fund 1 Pty Limited (“Arowana”) approached the Deed Administrators of the Company with a proposal aimed at recapitalising the Company using the structure of a DOCA and a creditors’ trust. At a meeting convened on 24 July 2015, the Company’s creditors resolved to vary the terms of the DOCA to accept Arowana’s proposal.

The amended DOCA required that an amount of \$600,000 be transferred by the Company to a Creditors’ Trust to be available for the satisfaction of the claims of creditors of the Company and to meet the costs of the administration and the Deed Administrators.

These payments would be funded by an issue of 300 million Shares and 50 million Options (the “Recapitalisation Proposal”). This issue of 350 million Shares and Options would also provide the Company with sufficient funds to meet its immediate operating costs and working capital requirements.

On 5 November 2015 the board of directors resigned with immediate effect and a new board of directors was appointed.

A Notice of Meeting of shareholders was prepared and sent to shareholders on 24 May 2016, which outlined the Recapitalisation Proposal.

The terms of the Recapitalisation Proposal were as follows:

- (a) the consolidation of the Company’s existing Shares and Options on a 1 for 2 basis (Consolidation);
- (b) following the Consolidation, the Company would issue:
 - (i) up to 100 million Shares at an issue price of \$0.001 per Share;
 - (ii) up to 100 million Shares at an issue price of \$0.005 per Share;
 - (iii) up to 50 million Shares at an issue price of \$0.008 per Share;
 - (iv) up to 50 million Shares at an issue price of \$0.010 per Share;
 - (v) up to 50 million Options at \$0.010 per Option.

On 23 June 2016, a meeting of shareholders was held and shareholders approved proxies that were received in order to pass all requirements of the DOCA and Recapitalisation Plan. This included the consolidation of the Company’s existing share capital on a 1 for 2 basis.

On 30 June 2016, the DOCA was wholly effectuated and the Company was successfully recapitalised with the raising of \$2 million of capital.

Since 30 June 2016, the current directors of the Company have undertaken a strategic review and are taking those steps necessary to apply for the resumption of trading in its securities on the official list prior to 22 April 2018. On this basis, it is assumed that the business operates as a going concern.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES DIRECTORS' DECLARATION

The Directors of the Company declare that:

We have been unable to satisfy ourselves as to the completeness and accuracy of all the transactions recorded in the Company's accounting records that occurred prior to 5 November 2015.

The Company was placed into Voluntary Administration on 22 April 2015 and effected a Deed of Company Arrangement on 30 June 2016 and has continued to carry on its business activities since that date with complete and accurate accounting records. The current Directors have used their best endeavours, working with the Administrators, Company's former officers and directors, and Company's advisers, to prepare and present this financial report for the year ended 30 June 2015, a period prior to their appointment. Given the difficulties referred to in the review of operations and loss of some company records, certain information was not available for inclusion in this financial report.

The Directors are confident that at the date of this report, financial records, processes and controls are adequate to safeguard the ongoing business operation.

In the opinion of the current Directors of the Company, except for the effects of such adjustments, if any, that might have been determined to be necessary had we been able to verify all of the transactions which took place during the reporting period and prior to the date of our appointment:

1. the Financial Statements comprising the Consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying Notes to the Financial Statements are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date.
2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The Directors have been given the declarations by the person performing the Chief Executive Officer and Chief Financial Officer functions required by section 295A of the Corporations Act 2001 which are required to state whether:
 - (a) The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.

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



Michael Hui
NON-EXECUTIVE CHAIRMAN

Dated this 6th day of July 2017

Independent Auditor's Report to the members of Viento Group Limited

Report on the Financial Report

We were engaged to audit the accompanying financial report of Viento Group Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, 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 as set out on pages 17 to 60.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on conducting our audit in accordance with Australian Auditing Standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Auditor's Independence Declaration

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 Viento Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Disclaimer of Opinion

As disclosed in Note 1(b) to the financial report, the Company and its subsidiaries were placed into voluntary administration on 22 April 2015 and Messrs Richard Albarran, Brent Kijurina and Cameron Shaw of Hall Chadwick were appointed as Joint & Several Voluntary Administrators. On 9 July 2015, the Company executed a Deed of Company Arrangement with its creditors (amended on 24 July 2015) and was released from Administration on 30 June 2016.

As stated in Note 1(b), the accounting and statutory records from 1 July 2014 to 30 June 2016, when the Company was released from Administration, were not adequate to permit the application of necessary audit procedures. As the accounting and statutory records are not adequate to enable us to obtain sufficient appropriate audit evidence regarding the amounts and disclosures included in the financial report, we are unable to form an opinion on the financial report.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion as to whether the financial report of Viento Group Limited is in accordance with the *Corporation Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

We draw attention to Note 1(b) in the financial report which indicates the ability of the Company to continue as a going concern is dependent upon its ability to raise additional debt and/or equity funding to complete the matters required for the Company to obtain its requote on the ASX. This condition, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the ordinary course of business.

Report on Other Legal and Regulatory Requirements

Due to the matters described in the basis for Disclaimer of Opinion paragraph:

- a) we have not been given all information necessary for the conduct of the audit; and
- b) the Company has not maintained financial records sufficient to enable to financial report to be prepared and audited.

Report on the Remuneration Report

The Remuneration Report is included in pages 10 to 15 of the directors' report for the year ended 30 June 2015. 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.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the Remuneration Report.



DELOITTE TOUCHE TOHMATSU



D K Andrews

Partner

Chartered Accountants

Perth, 6 July 2017

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
SHAREHOLDER INFORMATION
AS AT 6 JULY 2017

The following additional information is provided in accordance with the listing rules.

Distribution of Shareholdings

Range	Number of Holders	Number of Ordinary Shares	% of Issued Capital
1 - 1,000	382	123,411	0.03%
1,001 - 5,000	272	709,823	0.18%
5,001 - 10,000	126	941,930	0.24%
10,001 - 100,000	242	7,850,367	1.97%
100,001 - 99,999,999	80	388,560,393	97.58%
Total	1,102	398,185,924	100.00%

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel is 800.

Twenty Largest Shareholders

Shareholder	Shares Held	% of Issued Capital
Arowana Australasian Special Situations 1C Pty Limited (Special Situations 1C A/C)	43,266,666	10.87%
Arowana Australasian Special Situations 1A Pty Limited (Special Situations 1A A/C)	41,666,667	10.46%
Arowana Australasian Special Situations 1B Pty Limited (Special Situations 1B A/C)	41,666,667	10.46%
Clurname Pty Ltd	33,333,333	8.37%
Investor View Pty Ltd (Investor View 2 A/C)	29,799,998	7.48%
Franma Pty Ltd (Frangipani Super Fund A/C)	26,666,668	6.70%
Stranda Venture Incorporated	26,666,668	6.70%
Redfour Pty Ltd (Trust Me A/C)	26,666,668	6.70%
Contemplator Pty Ltd (ARG Pension Fund A/C)	13,333,333	3.35%
Stitching Pty Ltd (SSG Superannuation Fund A/C)	13,333,333	3.35%
Investor View Pty Ltd	6,666,667	1.67%
Timbina Pty Limited (Timbina Super Fund A/C)	6,666,666	1.67%
Pang Investments Pty Ltd (Pang Super Fund A/C)	6,666,666	1.67%
Demol Investments Pty Ltd (Demol Investment A/C)	6,510,000	1.63%
Hanscon Holdings Pty Ltd (Hanscon Discretionary A/C)	5,162,884	1.30%
Ranan Super Pty Ltd (Ranan Super Fund A/C)	5,000,000	1.26%
Palladium Investments International Pty Ltd (Palladium A/C)	5,000,000	1.26%
HSBC Custody Nominees (Australia) Limited	4,156,392	1.04%
Mr Rahim Chunara	2,800,000	0.70%
Mr Dirk Rossey	2,800,000	0.70%
Top 20 holders of fully paid shares (grouped)	347,829,276	87.35%

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
SHAREHOLDER INFORMATION
AS AT 6 JULY 2017

Substantial Shareholders

Shareholder	Shares Held	% of Issued Capital
Arowana Australasian Special Situations 1C Pty Limited (Special Situations 1C A/C)	43,266,666	10.87%
Arowana Australasian Special Situations 1A Pty Limited (Special Situations 1A A/C)	41,666,667	10.46%
Arowana Australasian Special Situations 1B Pty Limited (Special Situations 1B A/C)	41,666,667	10.46%
Clurname Pty Ltd	33,333,333	8.37%
Investor View Pty Ltd (Investor View 2 A/C)	29,799,998	7.48%
Franma Pty Ltd (Frangipani Super Fund A/C)	26,666,668	6.70%
Stranda Venture Incorporated	26,666,668	6.70%
Redfour Pty Ltd (Trust Me A/C)	26,666,668	6.70%

Voting Rights

Ordinary fully paid shares: On a show of hands every member present in person or by proxy shall have one vote and on a poll each share shall have one vote.

Options: No voting rights attach to the options.

UNQUOTED SECURITIES

Options

A total of 14,226,664 unlisted options are on issue. The tranches of unlisted options are as follows:

Exercise Date	Exercise Price	Number of Options	Option Holder
31-Dec-2017	\$0.66	3,118,211	HVLV Vendors
31-Dec-2019	\$0.72	<u>2,777,778</u>	HVLV Vendors
		<u>5,895,989</u>	