ENVIROMISSION LIMITED AND CONTROLLED ENTITIES
ABN: 52 094 963 238
APPENDIX 4D HALF YEAR REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

1. Details of the reporting period and the prior corresponding period

Current period:	1 July 2017 - 31 December 2017
Prior corresponding period:	1 July 2016 - 31 December 2016

2. Results for announcement to the market

Key Information	Half year ended 31 December 2017 $	Half year ended 31 December 2016 $	Up/ down	Change %
Revenues from ordinary activities	326,883	69,960	Up	367%
Loss from ordinary activities after tax attributable to	(511,462)	(753,165)	Down	-32%
Net loss for the period attributable to members	(511,462)	(753,165)	Down	-32%

3.

Dividend Information	Amount per share (cents)	Franked amount per share (cents)
Interim Dividend	-	-
Previous corresponding period	-	-
Record date for determining entitlements to the dividend	N/A	N/A

Brief explanation necessary to enable the figures above to be understood:

Please refer to the Review of Operations within the Directors Report for an explanation of the results.

4.

Net Tangible Assets per security	Half year ended 31 December 2017 (cents)	Half year ended 31 December 2016 (cents)
Net tangible assets per security (with the comparative figures for the previous corresponding period)	(0.60)	(0.30)

ENVIROMISSION LIMITED AND CONTROLLED ENTITIES

ABN: 52 094 963 238

Financial Report For The Half Year Ended 31 December 2017

ENVIROMISSION LIMITED
AND CONTROLLED ENTITIES

ABN: 52 094 963 238

Financial Report For The Half Year Ended 31 December 2017

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The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Report'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2017 and any public announcements made by the Company since 30 June 2017 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

ENVIROMISSION LIMITED AND CONTROLLED ENTITIES
ABN: 52 094 963 238
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

The Board of Directors of EnviroMission Limited had pleasure in submitting the financial report of the consolidated group for the half year ended 31 December 2017.

DIRECTORS

The name and particulars of the Directors of EnviroMission Limited who held office at any time during or since the end of the half year are:

Roger Chalmers Davey
B.Bus, CPA, CFTP
Executive Chairman & Chief Executive Officer
Director since 31 July 2001

Andrew Draffin
B.Bus, CA
Non-Executive Director
Director since 27 June 2011

RESULTS AND REVIEW OF OPERATIONS

Net loss from ordinary activities was $511,462 (2016: Loss 753,165), expenditure during the half year was consistent with expectations. Refer to Note 2 for further explanation regarding the reclassification of the development licence fee.

Operations Overview

Apollo has progressed completion of the fee to EnviroMission for the Solar Tower Development License for the state of Texas with US$1.520M remitted and a balance of US$480K remaining due at 31 December 2017.

Subsequent to 31 December 2017, Apollo has remitted a further US$230K.

The Texas based Solar Tower proponent, Apollo Development Co., remains committed to commercialising Solar Tower power station/s in Texas and has expressed a greater not lessor role in Solar Tower development more generally.

The chair's address to shareholders at the 2017 EnviroMission annual general meeting stated 'nothing is off the table' to be taken as the scope of options to be explored with investors and venture capital to restore value to the shareholders of EnviroMission Limited and the listing status of the entity.

EnviroMission has over the ensuing period been engaged in discussions for development capital necessary to satisfy ASX Listing Rule 12.2, and it is hoped EnviroMission will be able to disclose positive progress with these negotiations in the coming financial quarter.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 2 of the half year ended 31 December 2017 financial report. The directors' report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.

On behalf of the Directors

Roger C Davey
Executive Chairman
Melbourne, 28th February 2018

msi RAGG WEIR
Chartered Accountants

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF ENVIROMISSION LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2017 there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S. WONG
Partner

Melbourne: 28th February 2018

ENVIROMISSION LIMITED AND CONTROLLED ENTITIES
ABN: 52 094 963 238
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Half year ended 31 December 2017 $	Half year ended 31 December 2016 $
Revenue	326,883	69,960
Finance costs	5,476	4,986
Corporate costs	97,551	127,778
Employment costs	63,692	62,132
Contracting/Consulting costs	461,891	505,692
Occupancy expense	71,194	25,215
Amortisation and depreciation	5,386	5,561
Other expenses	130,589	90,979
Foreign exchange (gain)/loss	2,567	782
Loss before income tax	(511,462)	(753,165)
Income tax expense	-	-
Net Loss after income tax	(511,462)	(753,165)
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or		
Exchange differences on translation of foreign controlled entities	17,861	(12,368)
Income tax relating to items that will not be classified	-	-
	17,861	(12,368)
Items that may be reclassified subsequently to profit or loss		
Other comprehensive income for the period, net of tax	17,861	(12,368)
Total comprehensive income for the period	(493,601)	(765,533)
Profit/(Loss) attributed to:		
Members of the parent entity	(511,462)	(753,165)
Non-controlling interest	-	-
	(511,462)	(753,165)
Total comprehensive income attributable to:		
Members of the parent entity	(493,601)	(765,533)
Non-controlling interest	-	-
	(493,601)	(765,533)
Earnings per share		
Basic earnings per share (cents)	(0.091)	(0.130)
Diluted earnings per share (cents)	(0.091)	(0.130)

ENVIROMISSION LIMITED AND CONTROLLED ENTITIES
ABN: 52 094 963 238
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	31 December 2017	30 June 2017
	$	$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	284	3,487
Trade and other receivables	635,959	982,233
TOTAL CURRENT ASSETS	636,243	985,720
NON-CURRENT ASSETS		
Property, plant and equipment	28,476	34,482
Intangible assets	1,161,887	1,166,278
Other non-current assets	21,289	17,365
TOTAL NON-CURRENT ASSETS	1,211,652	1,218,125
TOTAL ASSETS	1,847,895	2,203,845
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	3,020,779	2,540,541
Deferred Income	614,998	965,717
Borrowings	306,339	298,818
Provisions	44,715	38,546
TOTAL CURRENT LIABILITIES	3,986,831	3,843,622
NON-CURRENT LIABILITIES		
Trade and other payables	1,307	1,332
Borrowings	55,604	61,136
TOTAL NON-CURRENT LIABILITIES	56,911	62,468
TOTAL LIABILITIES	4,043,742	3,906,090
NET ASSETS	(2,195,847)	(1,702,245)
EQUITY		
Issued capital	40,986,478	40,986,478
Reserves	317,245	299,384
Accumulated losses	(43,499,570)	(42,988,107)
TOTAL EQUITY	(2,195,847)	(1,702,245)

ENVIROMISSION LIMITED AND CONTROLLED ENTITIES
ABN: 52 094 963 238
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Ordinary Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Total
	$	$	$	$
Balance at 1 July 2016	40,939,555	(40,997,474)	279,600	221,681
Loss for the period	-	(753,165)	-	(753,165)
Other comprehensive income for the period	-	-	(12,368)	(12,368)
Total comprehensive income for the period	-	(753,165)	(12,368)	(765,533)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year	46,923	-	-	46,923
Total transactions with owners and other transfers	46,923	-	-	46,923
Balance at 31 December 2016	40,986,478	(41,750,639)	267,232	(496,929)
Balance at 1 July 2017	40,986,478	(42,988,108)	299,384	(1,702,246)
Loss for the period	-	(511,462)	-	(511,462)
Other comprehensive income for the period	-	-	17,861	17,861
Total comprehensive income for the period	-	(511,462)	17,861	(493,601)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year	-	-	-	-
Total transactions with owners and other transfers	-	-	-	-
Balance at 31 December 2017	40,986,478	(43,499,570)	317,245	(2,195,847)

ENVIROMISSION LIMITED AND CONTROLLED ENTITIES
ABN: 52 094 963 238
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Half year ended 31 December 2017 $	Half year ended 31 December 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Development right fees received	326,880	66,786
Interest received	1	5
Payment to suppliers and employees	(325,205)	(311,575)
Interest paid	(109)	-
Net cash provided by operating activities	1,567	(244,784)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	-
Net cash provided by (used in) investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	46,923
Proceeds from borrowings	-	118,591
Repayment of borrowings	(2,968)	(6,128)
Net cash provided by financing activities	(2,968)	159,386
Net increase in cash held	(1,401)	(85,398)
Cash and cash equivalents at beginning of financial year	3,487	92,488
Effect of exchange rates on cash holdings in foreign currencies	(1,802)	(1,137)
Cash and cash equivalents at end of period	284	5,953

These consolidated financial statements and notes represent those of EnviroMission Limited and Controlled Entities (the "consolidated group" or "group").

The financial statements were authorised for issue on 28 February 2018 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

(a) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report of the year ended 30 June 2017 and any public announcements made by the Company since 30 June 2017 in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on their fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current half-year. The adoption of these Standards has not resulted in any restatement to the results of previous periods presented.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, unless otherwise stated.

Critical Accounting Estimates and Judgements

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2017 annual report unless otherwise stated.

(b) Principles of Consolidation

The consolidated financial statements are those of the consolidated group, comprising the financial statements of the parent entity and of all entities, which EnviroMission Ltd controlled during the period and at balance date. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any conflicting accounting policies, which may exist. All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(c) Intangible Assets Other than Goodwill

Licence Rights

EnviroMission, through the acquisition of SolarMission Technologies Inc (19 December 2008), a controlled entity, owns and controls the global Solar Tower development rights. EnviroMission formerly owned the exclusive Sub-licence to build, own, operate and maintain one or more Solar Tower Power Stations within Australia. The terms of the global licence provides more benefit and opportunity to EnviroMission in terms of market access. A former sunset-clause that was never anticipated to be implemented has been removed from the licence.

Intellectual Property

The Board of the Company continue to believe that significant advances in commercialising the right to develop the intellectual property associated with the global licence held by the Company has been made.

On 6 December 2010, the Board obtained an independent valuation of the intellectual property, knowhow and licences as they are currently owned and held by the Company and its subsidiaries. The independent assessment placed a value of $60,000,000 on the said intellectual property and development rights held through the global licence.

The value of the intellectual property and licences is dependent on the ability of the Company to generate income from the asset. Solar Tower development is in the development stage, however the issue of licence development right has reached commercialisation. Ongoing discussions and arrangements with interested parties in foreign jurisdictions including the USA, India and the Middle East indicate significant potential future profits and cash flow attributable to the Company's Intellectual Property.

(d) New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Hedge accounting requirements are required to be prospectively applied.

  - Further reduction in the carrying amount of trade receivables and investments in related parties as at 31 December 2017 due to additional loss allowances (measured as 12-month and life-time expected credit losses) provided for such instruments that are not yet past due and past due but not yet impaired. The assessment of financial impact on account of the above is still in progress;
  - Listed and Unlisted investments that are classified as available-for-sale financial assets (not held for trading) will be continued to be measured at fair value through other comprehensive income through an irrevocable option as permitted by AASB 9. As such no financial impact is expected to arise from this reclassification.
  - Unlisted investments at cost are not held for trading and as such will be measured at fair value through other comprehensive income through an irrevocable option
  - Government and fixed interest securities are held in a business model of collecting all contractual cash flows (principal and interest) and therefore will continue to be measured at amortised cost. Therefore there will be no financial impact.

— AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018)

- identification and categorisation of performance obligations on each contract, which would influence the timing of revenue recognition on each contract deliverable;
- capitalisation of costs incurred in procuring a contract that is expensed under the existing accounting policies;
- upfront estimation of credit risk applicable to each customer and factoring the same in the revenue recognition of each contract;
- estimation of the variable consideration in the transaction price and including that portion in the revenue recognition on the contract for the current year; and
- additional qualitative and quantitative disclosures regarding contracts and the related amounts.

The assessment of the financial impact on account of the above changes in accounting policies is still in progress and as such not known at this stage.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

— AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).
When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:
— recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
— depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
— inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
— application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
— inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

— AASB 2014-10: *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*).
This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: *Business Combinations* to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018.

Note 2 Deferred Income

As previously announced during May 2013, the Company entered into a Head of Agreement with a Texas based power development company whereby EnviroMission will grant development rights for solar tower development for the US State of Texas once a $USD2,000,000 development fee has been received. At 31 December 2017 $USD1,520,000 has been received. The Company has recorded the outstanding development fee as at 31 December 2017 as an account receivable. However, it will only recognise the revenue as and when the instalments are received. The Company notes that the majority of the development fee has been received to date and that amount remains non-refundable in the event that no further payments are received. The Company will continue to work with Apollo in good faith; recognising that compliance with the Heads of Agreement will ultimately be mutually beneficial to both parties.

Note 3 Events After The End Of The Interim Period

Apollo have continued with their commitment to meet the terms of the Heads of Agreement and have remitted a further US$230,000 towards the Development Fee.

Note 4 Contingent Liabilities

There are no contingent liabilities at 31 December 2017 and there has been no change since 30 June 2017.

Note 5 Operating Segments

The principal business of the group is the development of Solar Tower Technology on a global basis. Originally EnviroMission Limited had an exclusive licence to develop, build and or own, operate and maintain Solar Tower power stations within Australia, since the acquisition of SolarMission Technologies Inc in December 2008, EnviroMission now owns by majority control the global rights to develop Solar Tower power stations and has a geographic segment of operation in USA.

Revenue by geographical region

	Half year ended 31 December 2017	Half year ended 31 December 2016
	$	$
Australia	326,883	69,960
United States of America	-	-
Total revenue	326,883	69,960

Segment results

Australia	(231,263)	(518,010)
United States of America	(280,199)	(235,155)
Total profit/(loss)	(511,462)	(753,165)
Unallocated expenses	-	-
Profit/(loss) before income tax expenses	(511,462)	(753,165)
Income tax expenses	-	-
Net profit/(loss)	(511,462)	(753,165)

Segment assets and liabilities

	Assets		Liabilities	
	Half year ended 31 December 2017	30 June 2017	Half year ended 31 December 2017	30 June 2017
	$	$	$	$
Australia	1,325,680	1,664,912	(2,497,221)	(2,573,792)
United States of America	522,215	538,933	(1,546,521)	(1,332,298)
Total of all segments	1,847,895	2,203,845	(4,043,742)	(3,906,090)

Note 6 Interest in Subsidiaries

Information about Principal Subsidiaries

		Ownership interest held by the Group	
Subsidiaries of EnviroMission Limited	**Country of**	**Half year ended 31 December 2017**	**30 June 2017**
Solarmission Limited	Australia	100%	100%
Pure Solar Power (IP) Pty Ltd	Australia	100%	100%
SolarMission Technologies, Inc	United States of America	100%	100%
EnviroMission, Inc	United States of America	100%	100%
EnviroMission Capital, LLC	United States of America	100%	100%
EnviroMission Management, LLC	United States of America	100%	100%
La Paz Solar Tower, LLC	United States of America	100%	100%

*Percentage of voting power is in proportion to ownership

Note 7 Going Concern

The Company's shares are currently suspended from trading on the ASX. The suspension will be lifted when the Company complies with conditions imposed by ASX, including potentially re-complying with ASX Listing Rules, Chapters 1 & 2. The cornerstone to this re-compliance is raising sufficient capital to fund the Company's business objectives, activities and working capital in the order of $3 million to $5 million. There remains a risk that there may be continued delays in this occurring, if at all.

The ability of the Company to continue as a going concern is dependent on the Company being able to raise the capital required to meet its ongoing commitments and advance its objectives. Should the Company be unsuccessful in undertaking additional capital raisings or being reinstated to ASX quotation, there is risk that the Company would not be able to continue as a going concern.

The Company has continued to seek funding for its La Paz project and general working capital. At the date of this report discussions with a third parties concerning a direct equity investment and debt finance continue, discussions are on a confidential bases.

The Company has also been in discussions with local financiers concerning capital raising strategies which may include issuing a prospectus in order to raise the required funds to ensure the Company continues as a going concern. The prospectus, if required, will largely ensure that re-compliance with ASX Listing Rules including Chapter 1 & 2 is met.

The Company has also been in contact with its creditors which remain cooperative. The majority of creditors are to related parties including directors of the Company, all of whom have agreed not to call on amount due unless the Company has sufficient funds available to settle the outstanding amounts.

Given the negotiations concerning the various capital raising strategies, the funds due from the Apollo development fee and the continued cooperation of the related party creditors the Directors believe that the Company can continue as a going concern in the event that it is successful in achieving the above objectives.

Note 8 Related Party Transactions

(a) The Group's main related parties are as follows:

i. Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

ii. Other Related Parties

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Half year ended 31 December 2017 $	Half year ended 31 December 2016 $
(i) Director related Company		
- Remuneration paid to Mr Roger Davey is paid to Canterbury Mint Pty Ltd, a Company of which Mr Davey is a director and shareholder	187,500	187,500
- Remuneration paid to Mr Andrew Draffin is paid to DW Accounting & Advisory Pty Ltd, a Company which Mr Draffin is a director and shareholder	60,000	60,000
(ii) Key Management Personnel		
- Remuneration paid to Ms Kim Forte is paid to Kim Forte Consulting, a business of which Ms Forte is a director and shareholder	120,000	120,000
(c) Amount due to related parties as at 31 December 2017:		
Canterbury Mint Pty Ltd	765,245	464,022
DW Accounting & Advisory Pty Ltd	305,828	185,635
Kim Forte Consulting	386,824	142,896
David Rodli Law Office	68,844	73,398

Note 9 Fair Value Measurements

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts are presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and their assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rate being applied by the market since their initial recognition by the Group. Most of these instruments which are carried at amortised cost (i.e. term receivables, held-to-maturity assets, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Group.

	Half yearly ended 31 December 2017		30 June 2017	
Consolidated Group	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets				
Cash and cash equivalents	284	284	3,487	3,487
Trade and other receivables	657,248	657,248	999,598	999,598
Total financial assets	657,532	657,532	1,003,085	1,003,085
Financial liabilities				
Trade and other payables	3,022,086	3,022,086	2,541,873	2,541,873
Borrowings	361,943	361,943	359,954	359,954
Total financial liabilities	3,384,029	3,384,029	2,901,827	2,901,827

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables excludes amounts provided for annual leave which is outside the scope of AASB 139.

ENVIROMISSION LIMITED AND CONTROLLED ENTITIES
ABN: 52 094 963 238
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of EnviroMission Limited and its controlled entities, the directors of the company declare that:

1. The financial statements and notes set out on page 3 to 10 are in accordance with the Corporations Act 2001. including:

   (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting", and

   (b) giving true and fair view of the consolidated group's financial position as at 31 December 2017 and of its performance, for the half-year ended on that date

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

Roger C. Davey
Executive Chairman

Melbourne, 28th February 2018

msi RAGG WEIR
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ENVIROMISSION LIMITED AND CONTROLLED ENTITIES

Report on the Half-year Financial Report

We have reviewed the accompanying half–year financial report of Enviromission Limited and controlled entities, which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any other matter that makes us believe that the half-year financial report of Enviromission Limited and its controlled entities is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the consolidated group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001.

Emphasis of Matter

Without qualifying our opinion expressed above, we draw attention to Note 7 of the financial report regarding the ability of the company to continue as a going concern. The financial report indicates that current liabilities exceed current assets by $3,350,588 and net liabilities exceed net assets by $2,195,847 and a half year loss of $511,462 for the period ending 31 December 2017. This condition indicates the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Directors' Responsibility for the Half-year Financial Report

The directors of Enviromission Limited and controlled entities are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Enviromission Limited and controlled entities' financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Enviromission Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

MSI Ragg Weir

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Chartered Accountants

L. S. WONG
Partner

Melbourne: 28th February 2018