Appendix 4D

Half-Year Report

1. Details of reporting period

Name of Entity	Viento Group Limited
ABN	ABN 79 000 714 054
Period Ended	31 December 2014
Previous Corresponding Period	31 December 2013

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	Increase	172%	to	60,375
Loss from ordinary activities after tax attributable to members	Increase	1722%	to	(14,537)
Net loss for the period attributable to members	Increase	1722%	to	(14,537)

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

3. Net tangible asset backing

	31/12/2014	31/12/2013
Net tangible asset backing per ordinary security	0.9 cents	18.5 cents

4. Details of entities over which control has been gained or lost during the period

See note 5 in the notes to the Financial Statements for the Half-Year Ended 31 December 2014.

Results for the period should be read in conjunction with the Financial Report attached.

VIENTO GROUP LIMITED
ABN 79 000 714 054
FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 December 2014

DIRECTORS' REPORT

Your directors present their financial report of the consolidated group for the half-year ended 31 December 2014.

DIRECTORS

The names of the directors who held office during or since the end of the half-year:

Mr Ray Munro

Mr John Farrell

Mr John Silverthorne

Mr Steven De Mol (resigned 28 August 2014)

Mr Robert Nichevich (resigned 13 November 2014)

REVIEW OF OPERATIONS

The Viento Group recorded a loss after income tax attributable to members of $14,537,000 (December 2013: loss $844,000). Total revenue for the half-year was $60,363,000 (December 2013: $35,155,000). The EBITDA for the period was $(16,842,000) and includes the impact of the following.

- $1.4 million relating to Power Infrastructure Services Pty Ltd (Powins), driven by the write down of $550,000 in the investment in Powins and a provision for doubtful debts owed by Powins of $850,000.
- HVLV contributed an EBITDA loss of $17.8 million to the Group's result predominantly due to HVLV's loss making project (the Project) which included the recognition of an additional loss of $3.6 million which has been brought to account in the December 2014 half year, rather than in the second half of FY2015. There are no further losses expected from the Project which is now expected to be completed by the end of April 2015.

The board is focussed on winning new contracts in civil contracting, mining contracting and electrical services.

The company is seeking continual improvement in structures, systems and personnel to support the businesses, and focusing on significant reductions in overhead costs including rationalising our operational facilities.

MINING SERVICES DIVISION

Viento Contracting Services Pty Ltd (VCS), KVG Joint Venture Pty Ltd (KVG) & Viento Kimberley Pipelines Pty Ltd (VKP)

During the period Viento entered into a 50/50 joint venture with indigenous company Kimberley Pipelines Pty Ltd and was awarded the contract to construct the Northstar Slurry Pipeline for Fortescue Metals Group.

VCS, KVG and VKP are working or have completed a number of projects including:

- Solomon Decant, Power Station and AN Storage for Fortescue Metals Group
- Dampier Salt Limited Port Hedland and Lake McLeod for Rio Tinto (KVG)
- Cloudbreak Culverts for Fortescue Metals Group (KVG)
- Nammuldi Below Water Table and Road Maintenance (KVG)
- Paraburdoo Tailings Storage Facility for Rio Tinto with ICRG
- Northstar Slurry Line for Fortescue Metals Group (VKP)
- Tails Dam lift for Minjar Gold
- Nullagine – OC3 and Haul Road for BC Iron

VCS is tendering for contracts directly but on an increasing basis in association with our indigenous partners. These opportunities have been made available to VCS through the extensive network and reputation of the directors and management.

Mineworks Pty Ltd (Mineworks)

Viento owns 70% of the shares in Mineworks. Mineworks provides equipment hire, labour hire and workshop facilities to the mining industry and each of Viento's businesses.

Mineworks makes a significant contribution to the success of the Group in its own right, whilst supporting the other Viento businesses.

INDIGENOUS PARTNERSHIPS

Viento actively encourages partnerships with indigenous groups. Viento Contracting Services is currently working on, or tendering, projects with Koodaideri Pty Ltd, Eastern Guruma Pty Ltd, Kimberley Pipelines Pty Ltd and Indigenous Construction Resource Group (ICRG).

Viento sees the partnerships with traditional owners as a key element to its future success as a mining services company.

ELECTRICAL DIVISION

HVLV Pty Ltd (HVLV) & Power Infrastructure Services Pty Ltd (Powins)

On 2 January 2014 Viento Group Limited acquired HVLV, including our initial minority interest in Powins.

As advised, a significant loss has been incurred on one HVLV project, whilst other projects have been completed successfully by HVLV. Viento believes that the issues have been addressed. The impact of the Project loss has been reduced as a result of the vendors of HVLV agreeing to reduce Viento's acquisition price, which was approved by shareholders on 24 December 2014.

The original purchase consideration comprised:

- 23,631,914 Viento convertible notes, convertible into Viento shares (Convertible Notes);
- 7,966,667 Viento ordinary fully paid shares; and
- $3 million (plus interest) deferred cash payment (Deferred Cash Payment).

The vendors of HVLV and Viento reached an agreement to revise the consideration payable on the HVLV acquisition as summarised below.

- all the Convertible Notes are cancelled,
- the following securities being issued:
  i. 6,500,000 new Viento shares issued at an issue price of 14 cents per new Viento share;
  ii. 6,236,422 Viento unlisted options exercisable at 33 cents per share on or before 31 December 2017; and
  iii. 5,555,556 Viento unlisted options exercisable at 36 cents per share on or before 31 December 2019, and
- the Deferred Cash Payment is no longer payable.

A meeting of Viento shareholders approved the issue of the new securities as set out above.

A minority shareholder of Powins issued Federal Court proceedings seeking the appointment of a provisional liquidator to Powins and for Powins to be wound up.

The winding up application is limited to Powins and is not in respect of HVLV or Viento. The dispute leading to the appointment of the provisional liquidator to Powins, and the winding up application, relate to management issues within Powins, and not to the solvency of Powins.

At Viento's request, pursuant to the Group's banking facility agreement, a receiver and manager was appointed to enable an orderly completion and wind down of existing contracts.

PROPERTY DIVISION

In November 2014, Viento disposed of its investment in the land subdivisions for $2.628 million.
The total consideration consisted of an immediate cash receipt of $2.2 million plus deferred consideration of $428,000 to be received 12 months from settlement.
The disposal of the property business provides certainty of the value of the asset and allows Viento to focus its efforts on the core business of mining services.

GENERAL

Viento's banking facilities remain in place despite a breach of a covenant for the period ending 31 December 2014. The bank has decided not to exercise its rights relating to that breach. However, the bank reserves the right to exercise its rights relating to any breaches in the future.

SUBSEQUENT EVENTS

There are no other matters or circumstances that have arisen since the end of the half year which significantly affected or may significantly affect the operations of the consolidated Group, the results of those operations or the state of affairs of the consolidated Group.

REGISTERED OFFICE

The registered office and principal place of business of Viento Group Limited and its controlled entities is:

160 Lakes Road
Hazelmere, WA, 6055

Telephone: 08 6145 2400
Facsimile: 08 9274 0061

ROUNDING OF AMOUNTS

The consolidated group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded to the nearest $1,000.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.

R C Munro
Executive Chairman
Dated this 27th day of February 2015
Perth, Western Australia

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Viento Group Limited
160 Lakes Rd
Hazelmere, Perth WA 6055

27 February 2015

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 review of the financial statements of Viento Group Limited for the half-year ended 31 December 2014, 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 review; and

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

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants

VIENTO GROUP LIMITED ABN 79 000 714 054 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	CONSOLIDATED GROUP 31 Dec 14 $'000	31 Dec 13 $'000
Revenue		60,363	35,155
Other income		12	33
Employee benefits expense		(28,462)	(10,030)
Operating expense		(40,445)	(20,694)
Professional services fees		(1,740)	(789)
Commission expense		(17)	(38)
Occupancy expense		(2,613)	(820)
Finance expense		(911)	(844)
Administration expense		(1,863)	(879)
Other expenses		(1,274)	(731)
Depreciation and amortisation expense		(2,419)	(1,974)
Bad & doubtful debts expense		(803)	-
Profit/(Loss) before income tax expense		(20,172)	(1,611)
Income tax (expense)/benefit		6,064	769
Net Profit/(Loss) for the period		(14,108)	(842)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Other comprehensive income for the period net of tax		-	-
Total comprehensive income for the period		(14,108)	(842)
Profit/(Loss) attributable to:			
Members of the parent entity		(14,537)	(844)
Non-controlling interest		429	2
		(14,108)	(842)
Total comprehensive income attributable to:			
Members of the parent entity		(14,537)	(844)
Non-controlling interest		429	2
		(14,108)	(842)
Earnings per share from continuing operations			
Basic earnings per share (cents per share)		(15.65)	(1.05)
Diluted earnings per share (cents per share)		(15.65)	(1.05)

The accompanying notes form part of these financial statements.

VIENTO GROUP LIMITED ABN 79 000 714 054 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

		CONSOLIDATED GROUP	
		31 Dec 14	**30 Jun 14**
	Note	**$'000**	**$'000**
Current Assets			
Cash and cash equivalents		-	8,021
Trade and other receivables		21,740	26,438
Inventories		3,522	8,400
Financial assets		52	6
Other current assets		838	1,791
Total Current Assets		**26,152**	**44,656**
Non-Current Assets			
Trade and other receivables		95	88
Financial assets		33	2,669
Plant and equipment	3	16,445	17,258
Deferred tax assets		10,115	3,069
Intangible assets		6,613	13,072
Other Assets		166	111
Total Non- Current Assets		**33,467**	**36,267**
Total Assets		**59,619**	**80,923**
Current Liabilities			
Overdraft		2,128	-
Trade and other payables		28,854	28,049
Short-term provisions		1,475	1,213
Current tax liabilities		779	1,885
Other current liabilities		2,496	-
Loans and borrowings	4	12,591	9,137
Total Current Liabilities		**48,323**	**40,284**
Non-Current Liabilities			
Trade and other payables		37	41
Loans and borrowings	4	3,058	18,807
Deferred tax liabilities		619	716
Other non-current liabilities		57	57
Long-term provisions		46	5
Total Non-Current Liabilities		**3,817**	**19,626**
Total Liabilities		**52,140**	**59,910**
Net Assets		**7,479**	**21,013**
Equity			
Issued capital		30,615	29,646
Reserves		3,605	3,605
Accumulated losses		(28,291)	(13,595)
Minority interests		1,550	1,357
Total Equity		**7,479**	**21,013**

The accompanying notes form part of these financial statements.

VIENTO GROUP LIMITED ABN 79 000 714 054 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	CONSOLIDATED GROUP 31 Dec 14 $'000	31 Dec 13 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		80,581	35,954
Payments to suppliers and employees		(86,745)	(32,659)
Interest received		12	248
Finance expenses paid		(850)	(986)
Income taxes paid		(2,186)	(99)
Net cash (used in) / provided by operating activities		(9,188)	2,458
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of:			
- Plant and equipment		(1,462)	(298)
Proceeds from sale of plant and equipment and financial assets		2,200	585
Loans to:			
- Related parties		-	(120)
Net cash inflow from disposal of subsidiary		-	(1)
Deferred consideration on acquisition of subsidary		-	(200)
Loans repaid by:			
- Related parties		-	595
Net cash used in investing activities		738	561
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares:			
- Issuing shares (net of share issue costs)		-	16
Proceeds from borrowings		1,443	706
Repayment of borrowings		(3,122)	(3,534)
Dividends paid to minority shareholders		(20)	-
Net cash (used in)/provided by financing activities		(1,699)	(2,812)
Net (decrease)/increase in cash held		(10,149)	207
Cash at the beginning of the period		8,021	1,340
Cash at the end of the period		(2,128)	1,547

The accompanying notes form part of these financial statements.

VIENTO GROUP LIMITED ABN 79 000 714 054 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

CONSOLIDATED GROUP	*Note*	Share Capital Ordinary	Share Based Payments Reserve	Financial Assets	Accumulated losses	Total	Non-controlling interest	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2013		22,256	1,451	114	(7,968)	15,853	-	15,853
Loss attributable to members of the parent entity		-	-	-	(1,370)	(1,370)	111	(1,259)
Total other comprehensive income for the year		-	-	(4)	-	(4)	-	(4)
Exercise of options		-	-	-	-	-	-	-
Options issued as remuneration		-	453	-	-	453	-	453
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	350	350
Issue of share capital, net of transaction costs and tax		260	-	-	-	260	-	260
Dividends paid or provided for		-	-	-	-	-	-	-
Balance at 31 December 2013		22,516	1,904	110	(9,338)	15,192	461	15,653
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		-	-	-	(14,537)	(14,537)	429	(14,108)
Total other comprehensive income for the year		-	-	-	-	-	-	-
Exercise of options		-	-	-	-	-	-	-
Options issued as remuneration		-	-	-	-	-	-	-
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	-	-
Non-controlling interests on loss of control of subsidiary, net of tax		-	-	-	(159)	(159)	(235)	(394)
Issue of options, net of transaction costs and tax		59	-	-	-	59	-	59
Issue of share capital, net of transaction costs and tax		910	-	-	-	910	-	910
Dividends paid or provided for		-	-	-	-	-	-	-
Balance at 31 December 2014		30,615	3,536	69	(28,291)	5,929	1,550	7,479

VIENTO GROUP LIMITED ABN 79 000 714 054 AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Viento Group Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is 160 Lakes Road, Hazelmere Western Australia 6055. The consolidated financial statements of the Company as at and for the half year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the 'Consolidated Group' and individually as 'Group entities'). The Consolidated Group is a for-profit entity and primarily is involved in the provision of an integrated mining services business to the mining industry.

Basis of Preparation

These general purpose interim financial statements for half-year reporting period the ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.
This interim financial report is intended to provide users with an update on the latest annual financial statements of Consolidated Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Consolidated Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Consolidated Group for the year ended 30 June 2014, together with any subsequent public announcements.

Accounting Policies

The same accounting policies and methods of computation have been followed in the interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

The Consolidated Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

The adoptions of these new and revised Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Going Concern

The half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2014, the Group has incurred a net loss after tax of $14,108,000 (2013: loss of $842,000) and experienced net cash outflows from operating activities of $9,188,000 (31 December 2013: inflows of $2,458,000). As at 31 December 2014 the Group had a working capital deficiency of $22,171,000 (30 June 2014: excess of $4,372,000). This deficiency includes $4 million of loans which have been reclassified from non-current liabilities to current as at 31 December 2014 due to the Group breaching its financial covenants.

During November 2014, the Group announced its HVLV subsidiary had incurred significant costs in respect of rectification works required on an oil and gas project. The requirement to complete this work delayed the achievement of subsequent billing milestones inline with the original timetable. Consequently, the Group's working capital position deteriorated significantly during the period.

Going Concern (cont.)

On 17 December 2014, Powins, a subsidiary of the Group, was placed into court-ordered liquidation by the minority interest shareholder. From the date of appointment, the Group no longer has control over this subsidiary which has led to a provision for doubtful debts of $850,000, along with a loss on investment of $550,000 being recognised during the period. As a result of this event, certain Powins contracts that were expected to contribute to the FY15 results were lost following this liquidation directive.

As at 31 December 2014, the Group has breached its fixed charge cover ratio banking covenant resulting in an event of default and potentially rendering the outstanding amounts under the facility due and payable. During February 2015, the bank confirmed that the facility remains in place and it will not exercise its rights in relation to this breach, however, reserves it rights relating to any breach in the future. The Bank also noted that the Group is seeking to raise further capital and the position in respect of the covenant breach will be reviewed again on the outcome of the capital raising program.

During the period to 31 December 2014 and for the period to the date of this report, the Directors have taken steps to ensure the Group continues as a going concern. These steps include:

- Maintaining an open and transparent relationship with the bank in managing the Group's available cash reserves and daily working capital position.
- Actively engaging with creditors, including negotiating and agreeing payment plans and payment deferrals with a limited number of existing suppliers.
- An equity raising of approximately $9.0 million. The Directors are confident of raising a minimum of $6.0 million. It is anticipated that equity raising will be completed on or around 8 April 2015.

The ability of the Group to continue as a going concern is dependent on;

- The bank providing ongoing financial support to the Group, including not calling on the Group's existing financing facilities and providing waivers in respect of expected future covenant breaches, to enable the Group to continue to discharge liabilities in the ordinary course of business.
- The Group receiving $4.6 million of outstanding receivables prior to 10 March 2015 as currently forecast by management.
- Continued support from creditors in allowing delayed settlements and payment plans to be effective during March 2015.
- The successful completion of the equity raising on or around 8 April 2015 including participation from the Directors.
- The Group being able to manage its working capital position, achieving contractual billing milestones and maintaining its forecast margins in accordance with the Group's existing cash flow forecasts.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly that the Group will be able to continue as a going concern and meet its debts as and when they fall due.

Should the Group not be successful in achieving the matters set out above, there is a material uncertainty whether the Group will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

The half-year 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 Group not be able to continue as a going concern.

NOTE 2: OPERATING SEGMENT INFORMATION

Operating segments

The following tables present revenue and profit information regarding the Consolidated Groups operating segments for the six months ended 31 December 2014 and 2013, respectively.

	Mining Services	Managed Funds	Electrical and Power	Inter Segment Eliminations	Total
	$'000	$'000	$'000	$'000	$'000
Half year December 2014					
Revenue from external customers	42,924	46	17,393	-	60,363
Inter segment revenue	10,477	-	3,106	(13,583)	-
Total revenue	53,401	46	20,499	(13,583)	60,363
Segment results	(352)	55	(19,045)	(830)	(20,172)
Half year December 2013					
Revenue from external customers	34,464	392	299	-	35,155
Inter segment revenue	1,588	-	502	(2,090)	-
Total revenue	36,052	392	801	(2,090)	35,155
Segment results	370	747	(2,728)	-	(1,611)

Inter-segment revenues are eliminated on consolidation

The following table presents segment assets of the Consolidated segments as at 31 December 2014 and 30 June 2014:

	Mining Services	Managed Funds	Electrical and Power	Inter Segment Eliminations	Total
Half year December 2014 - Segment assets	46,536	39	13,044	-	59,619
Full Year June 2014 - Segment assets	41,827	52	39,044	-	80,923

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

	Total
30 June 2014	**$'000**
Cost	25,049
Accumulated depreciation	(7,791)
Net book amount	**17,258**
Half year ended December 2014	
Opening net book amount	17,258
Additions	1,606
Disposals	-
Depreciation	(2,419)
Closing net book amount	**16,445**
31 December 2014	
Cost	26,438
Accumulated depreciation	(9,993)
Net book amount	**16,445**

NOTE 4: LOANS AND BORROWINGS

This note provided information about the contractual terms of the Consolidated Groups interest bearing loans and borrowing, which are measured at amortised cost.

	31 Dec 2014 $'000	30 Jun 2014 $'000
Current liabilities		
Insurance premium funding liability	222	1,110
Other borrowings	6,973	2,554
Finance lease liabilities	5,396	5,473
	12,591	9,137
Non-current liabilities		
Finance lease liabilities	2,303	3,689
Borrowings	732	4,500
Convertible notes	23	7,618
Deferred consideration	-	3,000
	3,058	18,807
Total	15,649	27,944

NOTE 4: LOANS AND BORROWINGS (cont.)

Finance Facilities

	31 Dec 2014			30 Jun 2014		
	Average interest rate	Face value	Carrying amount	Average interest rate	Face value	Carrying amount
Asset Finance	7.01%	12,016	7,719	7.36%	12,455	9,162
Other Borrowings	4.36%	10,000	8,128	4.36%	9,500	6,500
Other facilities	2.25%	17,700	14,340	2.25%	7,000	4,936
Unsecured insurance premium funding	1.28%	222	222	1.28%	1,110	1,110
Total loans and borrowings		39,938	30,409		30,065	21,708

Breach of loan facility covenant

The Group has secured finance facilities with Commonwealth Bank of Australia (CBA) with a carrying amount of $27,700,000 at 31 December 2014. This loan facility contains a debt covenant requiring a fixed charge cover ratio of 2.0 times calculated as EBITDA (of the borrowing entities) divided by all actual repayments.

The actual fixed charge cover ratio for the half year to 31 December 2014 was 1.7 resulting in a breach of the CBA loan facility covenant. The facilities under this loan facility have therefore been shown as current as at 31 December 2014.

Viento's banking facilities remain in place despite a breach of a covenant for the period ending 31 December 2014. The bank has decided not to exercise its rights relating to that breach. However, the bank reserves the right to exercise its rights relating to any breaches in the future.

NOTE 5: LOSS OF CONTROL

In December 2014 Powins was placed into provisional liquidation by a Queensland court order because of a minority shareholder's dispute. The result of this action was loss of control of the entity by HVLV. The Group has accounted for the loss of control by recognising a loss on investment in Power Infrastructure Services Pty Ltd of $550,000 in the financial results ended 31 December 2014.

	$'000
Investment	900
Accumulated Losses	(350)
Net Investment	550
Fair value of Investment retained	-
Impairment (Diminution of Investment)	550

NOTE 6: 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 has 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:

Fair value of Consideration Transferred	**$'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**

As the acquisition occurred in January 2014, the net cash inflow is not reflected in this half year report.

NOTE 7: DIVIDENDS

No dividend was provided for or paid during the December 2014 half-year.

NOTE 8: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 9: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no subsequent events.

DIRECTORS' DECLARATION

In the directors' opinion:

a. The financial statements and notes, as set out on pages 7 to 17 are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standard AASB 134: Interim Financial Reporting; and the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

b. there are reasonable grounds to believe that Viento Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

R C Munro
Executive Chairman
Dated this 27th day of February 2015

Deloitte.

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

We have been engaged to review the accompanying half-year financial report of Viento Group Limited which comprises the condensed statement of financial position as at 31 December 2014, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 18.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Because of the matters described in the Basis for Disclaimer of Review Conclusion paragraphs below, we have not been able to complete our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.*

Auditor's Independence Declaration

In conducting our review, 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 review report.

Basis for Disclaimer of Review Conclusion

We were not appointed as auditors of Viento Group Limited until after 30 June 2014 and thus did not observe the counting of physical inventories or verify the existence of plant and equipment as at 30 June 2014. Further, we have been unable to satisfy ourselves by alternative means concerning inventory quantities held or the existence of plant and equipment as at 30 June 2014 which are stated in the statement of financial position at $8,400 thousand and $17,258 thousand respectively. Since opening and closing balances enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of cost of goods sold and depreciation expenses reported in the statement of comprehensive income and the net cash flows from operating activities reported in the statement of cash flows for the half year ended 31 December 2014.

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The statement of financial position includes intangible assets and deferred tax assets with carrying values of $6,613 thousand and $10,115 thousand respectively. In our opinion, the ability of the consolidated entity to recover the carrying values of these assets is principally dependent upon the ability of the consolidated entity to continue as a going concern. As indicated in the following paragraph, material uncertainties exist which cast significant doubt about the consolidated entity's ability to continue as a going concern which in turn gives rise to material uncertainties as to the ability of the consolidated entity to recover the carrying values of the intangible assets and deferred tax assets.

We also draw attention to Note 1 'Going Concern' in the financial report which indicates that the consolidated entity incurred a net loss attributable to members of the parent entity of $14,537 thousand during the half year ended 31 December 2014 and as of that date, the consolidated entity's current liabilities exceeded its current assets by $22,171 thousand. Further, as indicated in Note 4 "Loans and Borrowings', the consolidated entity's finance facilities contain a debt covenant requirement for a fixed charge cover ratio to be maintained. This covenant has been breached as at 31 December 2014. These conditions, along with other matters as set forth in Note 1 'Going Concern' to the financial report, indicate the existence of material uncertainties which cast significant doubt about the consolidated entity's ability to continue as a going concern and whether it will realise its assets and discharge its liabilities in the normal course of business.

Given the above circumstances, in our opinion, the uncertainties are so material and pervasive that we are unable to express a conclusion on the financial report taken as a whole.

Disclaimer of Review Conclusion

Because of the significance of the matters described in the Basis for Disclaimer of Review Conclusion paragraphs above, we are unable to, and do not, express a conclusion as to whether the half-year financial report of Viento Group Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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 Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants
Perth, 27 February 2015