

# APPENDIX 4D

For the Half Year Ended  
30 June 2015

## Results for Announcement to the Market

Current Reporting Period - Half year ended 30 June 2015

Previous – Half year ended 30 June 2014

Revenue from ordinary activities	Up	N/A	to	335
Loss from ordinary activities after tax attributable to members	Down	N/A	to	(397,320)
Net loss for the period attributable to members	Down	N/A	to	(397,320)

Dividends (distribution)	Amount per Security	Franked Amount per Security
Final dividend	n/a	n/a
Previous corresponding period	n/a	n/a
<b><u>Net Tangible Asset per Security</u></b>		
As at 30 June 2015	0.04	
As at 31 December 2014	(23.35) <sup>1</sup>	
Record date for determining entitlements to dividend :	N/A	
<b><u>Explanation of the above information:</u></b>		
Refer to the Directors' Report - Review of Operations.		
<sup>1</sup> Capital was consolidated on a 100:1 basis on 12 January 2015, comparative results for the net tangible asset per security have been restated to reflect the capital consolidation.		

To be read in conjunction with the 31 December 2014 Annual Report

# Savcor Group Limited

ACN 127 734 196

## Appendix 4D Interim Financial Report For the half-year ended 30 June 2015

\* The Company has been suspended from trading on the ASX since 5 May 2014

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# Savcor Group Limited (ASX: SAV) Interim Financial Report

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Dear Shareholder,

The initial months of the period under review were spent fulfilling the requirements of the Deed of Company Arrangement, culminating in the company coming out of administration on 25 March 2015. Following the signing of the Deed of Effectuation the company was and remains debt free.

On 25 March 2015, the directors and officers appointed to the Company were:

Peter Marks - Director and Chairman  
Vincent Savage - Non-Executive Director, and  
Phillip Hains - Director and Company Secretary.

Since then the Company has undertaken two private capital raisings designed to recapitalise the Company and to provide sufficient funds to cover administration costs, provide working capital and to enable the Company to evaluate a number of potential business opportunities. A total of \$1.9 million was raised in the 2 issues, initially at 4.34 cents per share and subsequently at 8 cents per share.

Subsequent to the end of the accounting period under review, the Company announced on 20 July 2015 that it had entered into a binding terms sheet, subject to certain conditions, to acquire 100% of the issued share capital of Emefcy Limited (**Emefcy**), an Israeli technology Company developing innovative, market ready and energy efficient wastewater treatment solutions and which has had approx. \$20m invested in it to date by a number of leading US and Israeli Venture firms.

The proposed consideration, subject to shareholder approval, is the issue of 65 million fully paid ordinary Savcor shares and payment of US\$1 million cash. Subject to Emefcy to achieving defined commercialisation milestones within two years, Savcor will issue a further 45 million fully paid ordinary shares and pay a further US\$2 million cash to the vendors of Emefcy.

The acquisition of Emefcy is an exciting opportunity for shareholders to participate in an innovative and proven technology, ready for sale in the growing, global wastewater industry, an industry in need of advanced, economically attractive solutions.

The Company is currently completing all necessary work to enable the Notice of Meeting and Circular to Shareholders to be lodged with ASX and ASIC by the end of this week and for the Prospectus for the capital raising to be lodged by late September. The Shareholders' meeting is scheduled to take place in October where the various resolutions will be tabled to, among other things, approve the acquisition of Emefcy for shares, the capital raising, name change, etc. The planned capital raising will be for a minimum amount of \$13million to be satisfied by the issue of 65 million new ordinary shares. It is expected that the roadshow for this raising will be held in the second half of October to early November with a relisting of the Company's shares proposed for late November.

At the same time, the Company is continuing to negotiate the terms of the Option Agreement with Applied Cavitation Technologies (ACT), the Company which is in the process of developing innovating wastewater treatment technology using the principles of cavitation and deploying this through initial pilot programs.

Further updates will be provided in the coming weeks.

The Board thanks you for your interest in and support for the Company's new direction.

Yours sincerely,



Peter Marks  
Chairman,  
31<sup>st</sup> August, 2015

## Directors' Report

The Board of Directors present their Report together with the financial statements of Savcor Group Limited ('the Company' or 'Savcor') for the half-year ended 30 June 2015.

### Directors Details

The following persons were directors of the Company during, or since the end of, the financial period.

Mr Peter Marks	Executive Chairman (Appointed 12 March 2015)
Mr Phillip Hains	Executive Director (Appointed 12 March 2015)
Mr Vincent Savage	Non-Executive Director (Appointed 12 March 2015)
Mr Hannu Savisalo	Executive Chairman (Up to 12 March 2015)
Mr Iikka Savisalo	Non- Executive Director (Up to 12 March 2015)

### Principal Activities

The Company is working towards completing the acquisition of Emefcy Limited and to investigate opportunities for technologies and businesses which may be complementary to the Emefcy technology. It is also currently in the course of advanced negotiations with another Israeli-based company, Applied Cavitation Technologies Limited (ACT), which holds proprietary rights to technology that utilises hydrodynamic cavitation in the treatment of industrial waste water. While the negotiations are yet to be concluded, as currently proposed it is intended that the Company would procure an option to, at its election, to acquire ACT.

### Review of Operations and Financial Results

The Company has been suspended from trading on the ASX since 5 May 2014 and was placed into administration on 27 June 2014. Shortly following the appointment of Voluntary Administrators, the existing operations of the Company were wound up or disposed of. The Deed of Company Arrangement (DoCA) was effectuated on 13 March 2015. The gains after income tax expense from the discontinuing operations amount to \$32,411,900. The gains represent the write off of assets and liabilities by the Administrators.

The losses after income tax expense from continuing operations amount to \$397,320. The Company had cash reserve of \$1.5m at 30 June 2015 and a net asset position of \$1.6m. This result represents the re-capitalisation of the Company post-administration.

The Company has undertaken two private capital raisings designed to recapitalise the company and to provide sufficient funds to cover administration costs, provide working capital and to enable the Company to evaluate a number of potential business opportunities. A total of \$1.9 million was raised in the 2 issues, initially at 4.34 cents per share and subsequently at 8 cents per share.

On 20<sup>th</sup> July 2015, the Company entered into a binding Terms Sheet, subject to certain conditions outlined in the Terms Sheet, to acquire 100% of the issued share capital of Emefcy Limited, an Israeli technology Company developing innovative, market ready and energy efficient wastewater treatment solutions. This transaction, if approved and completed, will form the basis of the Company applying for its ordinary shares to resume trading on ASX.

# Savcor Group Limited (ASX: SAV) Interim Financial Report

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## Significant Changes in State of Affair

On 20<sup>th</sup> July 2015, the Company entered into a binding Terms Sheet, subject to certain conditions outlined in the Terms Sheet, to acquire 100% of the issued share capital of Emefcy Limited, an Israeli technology Company developing innovative, market ready and energy efficient wastewater treatment solutions.

The Company is continuing to negotiate the terms of the Option Agreement with Applied Cavitation Technologies (ACT), the company which is in the process of developing innovating wastewater treatment technology using the principles of cavitation and deploying this through initial pilot programs.

Apart from the above, there have been no other significant changes in the state of affairs of the Company entity during the half year.

## Significant Events after Balance Date

Other than the changes already disclosed, there have been no significant change in the nature of these activities occurred during the period.

## Likely Development and Expected Results

The likely developments in the Company's operations, to the extent that such matters can be commented upon, are covered in the Chairman's letter to Shareholder.

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of the directors.



Peter Marks  
**Chairman**

Melbourne, Victoria

Dated: This the 31 Day of August 2015.

# Auditor's Independence Declaration



Ernst & Young  
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Sydney NSW 2000 Australia  
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In relation to our review of the financial report of Savcor Group Limited for the half-year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in black ink that appears to be 'S Jarrett'.

Scott M Jarrett  
Partner  
31 August 2015

# Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2015

	Notes	30-Jun-15 \$	30-Jun-14 \$
<b>Revenues</b>			
Interest received		335	-
<b>Expenses</b>			
Administration expenses		(14,765)	-
Audit fees		(33,935)	-
Corporate consulting fees	4	(203,826)	-
Director fees		(44,000)	-
Travel expense		(70,641)	-
Share-based payments		(21,780)	-
Legal expenses		(8,865)	-
Foreign exchange gain/(loss)		157	-
<b>Profit/(loss) before income tax expense</b>		<b>(397,320)</b>	-
Income tax expense		-	-
Loss after income tax expense from continuing operations		(397,320)	-
Gain/(Loss) after income tax expense from discontinued operations	5	32,411,900	(18,657,000)
<b>Profit/(Loss) after income tax expense for the year attributable to the owners of Savcor Group Limited</b>		<b>32,014,580</b>	<b>(18,657,000)</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		-	(635,000)
<b>Other comprehensive losses for the period, net of tax</b>		-	<b>(635,000)</b>
<b>Total comprehensive profit/(loss) for the period attributable to the owners of Savcor Group Limited</b>		<b>32,014,580</b>	<b>(19,292,000)</b>
Total comprehensive profit/(loss) attributable to:			
Continuing operations		(397,320)	-
Discontinuing operations		32,411,900	(19,292,000)
<b>Losses per share for profit/(loss) from continuing operations attributable to the owners of Savcor Group Limited</b>			
Basic earnings/(loss) per share (cents per share)	6	(0.04)	-
Diluted earnings/(loss) per share (cents per share)	6	(0.04)	-



**Earnings /(Losses) per share for profit/(loss) from  
discontinuing operations attributable to the owners of  
Savcor Group Limited**

Basic earnings/(loss) per share (cents per share)	6	2.87	(13.69)
Diluted earnings/(loss) per share (cents per share)	6	2.87	(13.69)

**Earnings /Losses per share for profit/(loss) attributable to  
the owners of Savcor Group Limited**

Basic earnings/(loss) per share (cents per share)	6	2.82	(13.69)
Diluted earnings/(loss) per share (cents per share)	6	2.82	(13.69)

This statement should be read in conjunction with the notes to the financial statements

# Statement of Financial Position

As at 30 June 2015

	Notes	30-Jun-15 \$	31-Dec-14 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	1,500,619	2,371,000
Trade and other receivables		25,385	1,000
<b>Total current assets</b>		<b>1,526,004</b>	<b>2,372,000</b>
<b>Non-Current Assets</b>			
Loan to unrelated entity	8	168,400	-
<b>Total non-current Assets</b>		<b>168,400</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>1,694,404</b>	<b>2,372,000</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		92,050	8,437,000
Borrowings		-	26,847,000
<b>Total current liabilities</b>		<b>92,050</b>	<b>35,284,000</b>
<b>TOTAL LIABILITIES</b>		<b>92,050</b>	<b>35,284,000</b>
<b>NET ASSETS</b>		<b>1,602,354</b>	<b>(32,912,000)</b>
<b>Equity</b>			
Issued capital	11	276,061,994	273,584,000
Reserves	12	(255,739,220)	(255,761,000)
Accumulated losses		(18,720,420)	(50,735,000)
<b>TOTAL EQUITY</b>		<b>1,602,354</b>	<b>(32,912,000)</b>

This statement should be read in conjunction with the notes to the financial statements

## Statement of Changes in Equity

For the half-year ended 30 June 2015

	Share Capital \$	Other components of equity \$	Retained earnings \$	Total \$
Balance at 1 January 2014	273,584,000	(255,306,000)	(29,841,000)	(11,563,000)
Loss for the period attributable to members of the parent entity	-	-	(18,657,000)	(18,657,000)
Other comprehensive income/(expense) for the period	-	(635,000)	-	(635,000)
<b>Total comprehensive income for the period</b>	-	<b>(635,000)</b>	<b>(18,657,000)</b>	<b>(19,292,000)</b>
<i>Transactions with owners in their capacity as owners</i>				-
Shares issued, net of costs	-	-	-	-
<b>Balance as at 30 June 2014</b>	<b>273,584,000</b>	<b>(255,941,000)</b>	<b>(48,498,000)</b>	<b>(30,855,000)</b>
Loss for the period attributable to members of the parent entity	-	-	(2,057,000)	(2,057,000)
Reclassification of other comprehensive income/(expenses) for the period due to loss of control over discontinued overseas entities	-	180,000	(180,000)	-
<b>Total comprehensive income for the period</b>	-	<b>180,000</b>	<b>(2,237,000)</b>	<b>(2,057,000)</b>
<i>Transactions with owners in their capacity as owners</i>				
Shares issued, net of costs	-	-	-	-
<b>Balance as at 31 December 2014</b>	<b>273,584,000</b>	<b>(255,761,000)</b>	<b>(50,735,000)</b>	<b>(32,912,000)</b>
Profit for the period attributable to members of the parent entity	-	-	32,014,580	32,014,580
<b>Total comprehensive income for the period</b>	-	-	<b>32,014,580</b>	<b>32,014,580</b>
<i>Transactions with owners in their capacity as owners</i>				
Shares issued, net of costs	2,396,611	-	-	2,469,381
Equity to be issued	81,383	-	-	81,383
Options issued, net of costs	-	21,780	-	21,780
<b>Balance as at 30 June 2015</b>	<b>276,061,994</b>	<b>(255,739,220)</b>	<b>(18,720,420)</b>	<b>1,602,354</b>

This statement should be read in conjunction with the notes to the financial statements.

## Statement of Cash Flows

For the half-year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<i>Cash flows from operating activities</i>			
Receipts from customers		-	23,007,000
Payments to suppliers		(308,875)	(23,470,000)
Payments to Administrator		(500,100)	-
<b>Net cash flows (used in)/provided by operating activities</b>		<b>(808,975)</b>	<b>(463,000)</b>
<i>Cash flows related to investing activities</i>			
Payments for related party loans		-	16,000
Disposal of cash and overdraft from discontinued operations	13	5,548,281	-
Loans to other entities		(168,400)	-
<b>Net cash flows (used in)/provided by investing activities</b>		<b>5,379,881</b>	<b>16,000</b>
<i>Cash flows related to financing activities</i>			
Proceeds from issues of securities		2,506,544	-
Repayments of borrowings		-	(1,619,000)
Capital raising costs		(28,550)	-
<b>Net cash flows (used in)/provided by financing activities</b>		<b>2,477,994</b>	<b>(1,619,000)</b>
Net increase/(decrease) in cash and cash equivalents		7,048,900	(2,066,000)
Cash and cash equivalents at the beginning of the year	13	(5,548,281)	(4,775,000)
Effects of exchange rate changes on cash and cash equivalents		-	(348,000)
<b>Cash and cash equivalents at the end of the period</b>	<b>7</b>	<b>1,500,619</b>	<b>(7,189,000)</b>

This statement should be read in conjunction with the notes to the financial statements.

## Notes to the Financial Statements

### 1. General information and basis of preparation

The condensed interim financial statements (the interim financial statements) of the Company are for the six months ended 30 June 2015 and are presented in Australian dollar (\$), which is the functional currency of the Company. These general purpose interim financial statements have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and to meet the needs of the Directors. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2014 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the board of directors on 31 August 2015.

#### Maintenance of Accounting Records

There were limited records available to support the transactions and account balance as at 30 June 2014 and 31 December 2014. The 30 June 2014 Half Year Report and December 2014 Annual Report was prepared on limited available information in order to meet the statutory reporting requirements.

#### Going Concern

On 20th July 2015, the Company entered into a binding Terms Sheet, subject to certain conditions outlined in the Term Sheet, to acquire 100% of the issued share capital of Emefcy Limited, an Israeli technology company developing wastewater treatment solutions. The acquisition is conditional on the Company completing a capital raising of not less than A\$11 million which will be conducted by way of a placement of ordinary shares. The Company expects this transaction, if approved and completed, will be the basis of the Company applying for its ordinary shares to resume trading on ASX.

In the meantime, the Directors have raised working capital to fund current activities. The Directors are satisfied that there is a reasonable basis the Entity will be able to successfully raise the funding for the acquisition or have access to sufficient working capital to enable it to pay its debts as and when they fall due. As such, the financial statement have been prepared on the basis of a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business.

#### Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended 30 December 2014.

#### Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

# Savcor Group Limited (ASX: SAV) Interim Financial Report

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 31 December 2014.

## 2. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors (Chief Operating Decision Makers), which make strategic decisions for the Company.

The Chief Operating Decision Makers evaluate the results on a company wide basis and as such does not have specific operating segments.

## 3. Dividends

No dividends were paid and no dividends are expected to be paid during the half year period ended in 30 June 2015 (2014: Nil).

## 4. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated. Transactions with related parties are as follows:

	30-Jun-15 \$	30-Jun-14 \$
<u><i>Purchases from Lampam Pty Ltd:</i></u>		
Lampam Pty Ltd is a consulting company owned and operated by Mr Peter Marks who is a Director of the Company.		
Service fees paid to Lampam Pty Ltd during the year:	100,000	-
Total paid by the Company to Lampam Pty Ltd during the year:	100,000	-
At the end of the financial year, the Company owed Lampam Pty Ltd:	-	-
<u><i>Purchases from Swanson Corporate Solutions:</i></u>		
Swanson Corporate Solutions is a consulting company owned and operated by Mr Vincent Savage who is a Director of the Company.		
Service fees paid to Swanson Corporate Solutions during the year:	20,000	-
Total paid by the Company to Swanson Corporate Solutions during the year:	20,000	-
At the end of the financial year, the Company owed Swanson Corporate Solutions:	-	-
<u><i>Purchases from The CFO Solution:</i></u>		
The CFO Solution is a consulting company owned and operated by Mr Phillip Hains who is a Director of the Company.		
Service fees paid to The CFO Solutions during the year:	10,000	-
Total paid by the Company to The CFO Solution during the year:	10,000	-
At the end of the financial year, the Company owed The CFO Solution:	-	-

## 5. Discontinued Operations

The Company was placed into administration on 27 June 2014. Shortly following the appointment of Voluntary Administrators, the then existing operations of the Group were wound up or disposed of. The Deed of Company Arrangement (DoCA) was effectuated on 13 March 2015, which disposed of all remaining assets and liabilities.

The results of the discontinued operations for the year are presented below:

	30-Jun-15 \$	30-Jun-14 \$
<b><u>Revenues</u></b>		
Interest Received	-	218,000
<b><u>Expenses</u></b>		
Administration expenses	-	(3,135,000)
Finance costs	-	(1,810,000)
Gain on disposal of assets and liabilities	(32,411,900)	-
<b>Profit/(loss) before income tax expense</b>	<b>(32,411,900)</b>	<b>(18,343,000)</b>
Income tax expense	-	(314,000)
<b>Profit/(Loss) after income tax expense for the year attributable to the owners of Savcor Group Limited</b>	<b>(32,411,900)</b>	<b>(18,657,000)</b>

The gain on disposal of assets liabilities from discontinued operations are tax assessable and it was offset by accumulated tax losses.

## 6. Gain/Loss per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of Savcor as the numerator, i.e. no adjustments to profits were necessary during the six months period to 30 June 2015 and 31 December 2014.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

### ***Loss per share from continuing operations:***

	30-Jun-15 \$	30-Jun-14 \$
Basic loss per share	(0.04)	-
Diluted loss per share	(0.04)	-
Net loss used in the calculation of basic and diluted loss per share	(397,320)	-
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	11,307,137	-

# Savcor Group Limited (ASX: SAV) Interim Financial Report

## Gains per share from discontinuing operations:

	30-Jun-15 \$	30-Jun-14 \$
Basic gains per share	2.87	(13.69)
Diluted gains per share	2.87	(13.69)
Net gain/(loss) used in the calculation of basic and diluted loss per share	32,411,900	(19,292,000)
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	11,307,137	1,409,289 <sup>1</sup>

<sup>1</sup> Capital was consolidated on a 100:1 basis on 12 January 2015, comparative results for the Losses per Share have been restated to reflect the capital consolidation.

Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic loss per share. All the options on issue do not have the effect of diluting the loss per share therefore, they have been excluded from the calculation of diluted loss per share.

There have been no other conversions to, call of, or subscriptions for ordinary shares, or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

## 7. Cash and cash equivalents

	30-Jun-15 \$	31-Dec-14 \$
Cash at bank	1,500,619	2,371,000

### Reconciliation of cash:

Cash at the end of the financial year as shown in the statement of cash flows reconciled to items in the statement of financial position as follows:

	30-Jun-15 \$	31-Dec-14 \$
Cash and cash equivalents	1,500,619	2,371,000
Bank overdraft	-	(7,919,281)
<b>Balance as per statement of cash flows</b>	<b>1,500,619</b>	<b>(5,548,281)</b>



# Savcor Group Limited (ASX: SAV) Interim Financial Report

## 8. Loan to unrelated entity

	30-Jun-15 \$	31-Dec-14 \$
Loan to unrelated entity	168,400	-

Subject to the completion of the binding term sheet to acquire 100% of Applied Cavitation Technologies Limited (ACT), Savcor has agreed to make a loan advance of up to USD 250,000 to ACT in the interim. Savcor had paid USD 125,000 to ACT at the end of the reporting period.

The Company is continuing to negotiate the terms of the Option Agreement with Applied Cavitation Technologies (ACT), the company which is in the process of developing innovating wastewater treatment technology using the principles of cavitation and deploying this through initial pilot programs.

## 9. Commitments and contingencies

Other than the changes already disclosed, the Company is not aware of any commitments and contingencies as at 30 June 2015.

## 10. Contingent liabilities and assets

There has been no change in contingent liabilities and assets for the period ended 30 June 2015 (31 December 2014: Nil).

## 11. Issued capital

	Note	30-Jun-15 \$	31-Dec-14 \$
Ordinary shares	11(a)	276,061,994	273,584,000

  

(a) Ordinary Shares	30 June 2015		31 December 2014	
	No.	\$	No.	\$
Balance at the beginning of the period	140,928,943	273,584,000	140,928,943	273,584,000
Consolidation on a 100:1 basis	(139,519,654)	-	-	-
Share issued during the period	39,585,394	2,425,161	-	-
Equity to be issued	-	81,383	-	-
Transaction costs relating to share issues	-	(28,550)	-	-
<b>Balance at the end of the period</b>	<b>40,994,683</b>	<b>276,061,994</b>	<b>140,928,943</b>	<b>273,584,000</b>

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. At shareholder 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. The ordinary shares have no par value.

## 12. Reserves

		Foreign currency translation reserve	Share- based payment	Common Control	Total
	Note	\$	\$	\$	\$
At 31 December 2013		455,000	34,000	(255,795,000)	(255,306,000)
Foreign currency translation reserve		(635,000)	-	-	(635,000)
<i>Reclassification of other comprehensive income/(expenses) for the period due to loss of control over discontinued overseas entities:</i>					
Foreign currency translation reserve		180,000	-	-	180,000
<b>Adjusted balances at 31 December 2014</b>		<b>-</b>	<b>34,000</b>	<b>(255,795,000)</b>	<b>(255,761,000)</b>
Share-based payment	12(b)	-	21,780	-	21,780
<b>Balance at the end of the period</b>		<b>-</b>	<b>55,780</b>	<b>(255,795,000)</b>	<b>(255,739,220)</b>

12(a) Options	30 June 2015		31 December 2014	
	No.	\$	No.	\$
Balance at the beginning of the period	-	-	-	-
Free attaching options to investors	6,754,738	-	-	-
Unlisted Options issued to Directors <sup>1</sup>	900,000	21,780	-	-
<b>Balance at the end of the period</b>	<b>7,654,738</b>	<b>21,780</b>	<b>-</b>	<b>-</b>

<sup>1</sup>These options were being expensed over their vesting period and were valued as follows:

Vesting date	5 June 2015
Dividend yield	-
Expected volatility	86%
Risk-free interest rate	2.04%
expected life of option (months)	24
Option exercise price	\$0.15
Share price at grant date	\$0.08
Value per option	\$0.0242

## 13. Write off of cash and cash equivalents at 31 December 2014

This is the non-cash settlement of the bank overdraft on disposal of assets and liabilities. For further information, please refer to Note 5 Discontinued Operations.

## 14. Net tangible assets

	30-Jun-15 \$	31-Dec-14 \$
Net Tangible Assets	1,621,854	(32,912,000)
Shares (No.)	40,994,683	1,409,289 <sup>1</sup>
Net Tangible Assets per security	0.04	(23.35)

<sup>1</sup> Capital was consolidated on a 100:1 basis on 12 January 2015, comparative results for the no. of shares have been restated to reflect the capital consolidation.

## 15. Events after the reporting date

On 20<sup>th</sup> July 2015, the Company entered into a binding Terms Sheet, subject to certain conditions outlined in the Terms Sheet, to acquire 100% of the issued share capital of Emefcy Limited, an Israeli technology Company developing innovative, market ready and energy efficient wastewater treatment solutions.

The Company is continuing to negotiate the terms of the Option Agreement with Applied Cavitation Technologies (ACT), the company which is in the process of developing innovating wastewater treatment technology using the principles of cavitation and deploying this through initial pilot programs.

Apart from the above, no other matters or circumstances have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## Directors' Declaration

The Directors' of the Company declare that;

1. The financial statements and notes, as set out on pages 8 to 19, are in accordance with the *Corporations Act 2001* including:
  - a. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
  - b. giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the half year ended on that date; and
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.

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

Signed in accordance with a resolution of the directors:



Peter Marks  
**Chairman**

Melbourne, Victoria

Dated: This the 31 Day of August 2015.

# Independent Auditor's Review Report



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To the members of Savcor Group Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Savcor Group Limited (the company), which comprises the half-year condensed statement of financial position as at 30 June 2015, the half-year condensed statement of profit or loss and comprehensive income, half-year condensed statement of changes in equity and half-year condensed statement of cash flows for the half year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the director's declaration.

## 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 controls as the directors determine are 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 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 the company's financial position as at 30 June 2015 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 Savcor Group Limited, 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 other 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' Report.

## Basis for Qualified Conclusion on Comparative Balances

The company entered administration on 27 June 2014. As set out in Note 1, there were incomplete books and records available to the administrators when the company entered administration. Additionally, there were no management personnel available with the knowledge of the company's affairs relating to the period prior to entering administration. The directors were unable to remedy this situation and could not provide adequate support for the amounts in the financial statements for the comparative period, being the half-year statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended 30 June 2014 and in respect of the statement of financial position as at 31 December 2014 and related notes to the accounts.

We were unable to obtain sufficient appropriate evidence to provide a basis for a conclusion in respect of the half-year ended 30 June 2014 and year ended 31 December 2014 and issued Disclaimer of Opinion's on the financial reports for both periods. Accordingly, we have not been able to obtain sufficient appropriate evidence on the comparative balances.





### Basis for Qualified Conclusion on Discontinued Operations

As set out in Note 1, the company was placed into administration on 27 June 2014 until 13 March 2015, when a Deed of Company Arrangement ('DOCA') with a proposal to recapitalise the company was effectuated. Amongst other resolutions, the DOCA resulted in the discontinuance of pre-existing operations and the disposal of company assets.

The company's profit after income tax expense for the half-year ended 30 June 2015 comprised amounts included in discontinued operations for the current year of \$32,420,513 related to the disposal of company assets under the DOCA. The calculation of the profit on discontinued operations is dependent on the completeness and accuracy of assets and liabilities at the date of disposal. As referred to in the Basis for Qualified Conclusion on Comparative Balances, we were unable to obtain sufficient appropriate evidence on the comparative balances and accordingly on the assets and liabilities that existed at the date of disposal. As such, we could not satisfy ourselves that the recorded profit after income tax expense for the discontinued operations were free from material misstatements.

### Qualified Conclusion

Based on our review, which is not an audit, except for the the possible effects on the current year and comparative information of the matters described in the Basis for Qualified Conclusion on Comparatives and Basis for Qualified Conclusion on Discontinued Operations, we have not become aware of any matter that makes us believe that the half-year financial report of Savcor Group Limited is not in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Emphasis of Matter on Going Concern

Without modifying our conclusion on the financial report, we draw attention to Note 1 in the financial report which describes the principal conditions that raise doubt about the company's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Ernst & Young

Scott M Jarrett  
Partner  
Sydney  
31 August 2015

## Corporate Directory

### DIRECTORS

Mr Peter Marks	Executive Chairman (Appointed 12 March 2015)
Mr Phillip Hains	Non-Executive Director (Appointed 12 March 2015)
Mr Vincent Savage	Non-Executive Director (Appointed 12 March 2015)

Mr Hannu Savisalo	Executive Chairman (Up to 12 March 2015)
Mr Iikka Savisalo	Non-Executive Director (Up to 12 March 2015)

### COMPANY SECRETARY

Mr Phillip Hains	Appointed 12 March 2015
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### COMPANY

Savcor Group Limited  
ABN 52 127 734 196

### WEBSITE

N/A

### PRINCIPAL PLACE OF BUSINESS

Suite 1, 1233 High Street  
Armadale, VIC, 3143, Australia  
Phone: +61 (0)3 9824 5254  
Fax: +61 (0)3 9822 7735

### REGISTERED OFFICE

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Armadale, VIC, 3143, Australia  
Phone: +61 (0)3 9824 5254  
Fax: +61 (0)3 9822 7735

### SHARE REGISTRY

Boardroom Pty Ltd  
Level 12, 225 George Street  
Sydney, NSW, 2000, Australia  
  
Telephone: 1300 737 760 (local)  
+61 2 9290 9600 (international)

### SOLICITORS

Quinert Rodda & Associates Pty Ltd  
Level 6, 50 Queen Street  
Melbourne, VIC, 3000, Australia

### AUDITORS

Ernst & Young  
World Square, 680 George Street  
Sydney, NSW, 2000, Australia

### BANKERS

National Australia Bank (NAB)  
Melbourne, Victoria

### SECURITIES QUOTED

Australian Securities Exchange

- Ordinary Fully Paid Shares (Code: SAV)