greencap
LIMITED

protecting people, property and environments™

2009 ANNUAL REPORT

ABN 24 006 631 769

Corporate Directory

DIRECTORS

Stephen Belben (non executive Chairman)

Jeffrey Broun (Managing Director)

Andrew Gay (non executive Director)

Scott Bird

SECRETARY

Hugh Lennerts

REGISTERED OFFICE

Level 7, 182 St Georges Terrace
Perth, Western Australia, 6000
Telephone: +61 8 9289 8377
Facsimile: +61 8 9322 4251

POSTAL ADDRESS

PO Box 7480.
Cloisters Square, Perth
Western Australia, 6850

SHARE REGISTRY

Advanced Share Registry
150 Stirling Highway
Nedlands
Western Australia, 6009
Telephone: +61 8 9389 8033
Facsimile: +61 8 9389 7871
www.advancedshare.com.au

Post Office Box 1156
Nedlands
Western Australia, 6009

AUDITORS

Moore Stephens,
Perth, Western Australia 6000

BANKERS

National Australia Bank Limited

Melbourne, Victoria, 3000

LAWYERS

Cowell Clarke, Adelaide South Australia 5000

Mahons Lawyers, Melbourne Victoria 3130

OFFICE LOCATIONS

Greencap Limited (West coast office)

Level 7, 182 St Georges Terrace
Perth, Western Australia, 6000

www.greencap.com.au

Greencap Limited (East coast office)

Level 3 818 Whitehorse Road
Box Hill, Melbourne Victoria 3128

Noel Arnold & Associates Pty Ltd

Head Office
Level 3, 818 Whitehorse Road
Box Hill, Melbourne Victoria

www.noel-arnold.com.au

Trimevac Pty Ltd

Head Office
Level 2, 11 Khartoum Road
North Ryde NSW 2113

www.trimevac.com.au

ENV Australia Pty Ltd

Head Office
Level 7, 182 St Georges Terrace
Perth Western Australia

www.env.net.au

ECC Pty Ltd

The Stanhill Centre
Suite 8 &13, 33 Queens Road
Melbourne Victoria
www.eccptyltd.com

Environmental & Licensing Professionals Pty Ltd

Level 27 288 Edward Street
Brisbane Queensland

www.elp.com.au

AEC Environmental Pty Ltd

12 Greenhill Road,
Wayville, Adelaide SA

www.aecaust.com.au

Trevor R Howse & Associates Pty Ltd

Suite 3, Level 1
19 Harris Street
Pyrmont, Sydney NSW

www.trh.com.au

Leeder Consulting Pty Ltd

Unit 5, 18 Redland Drive
Mitcham, Melbourne VIC

www.leederconsulting.com

Validus Group Pty Ltd

858 Hay Street
Perth WA 6000

www.validusgroup.com.au

MC2 Pacific Pty Ltd

Level 3, 68 Alfred Street
Milsons Point Sydney NSW

www.mc2pacific.com.au

Contents

Letter from the Chairman and Managing Director

Dear Shareholders

The financial year ended 30 June 2009 has seen the Company continue to successfully develop its position as an integrated Risk Management services group, with the acquisition of four businesses during the year. These new businesses have increased both the scale of operation, as well as the range of service offerings, and client reach.

The financial year has seen extreme changes in the economic environment within which the Company and its clients operate. The global financial crisis generated uncertainty for all businesses, in turn affecting business strategies and decision making. Notwithstanding such adverse conditions, it is vital our group continues to position itself as a leading service provider in the Risk Management services sector. The Greencap group is well positioned to continue to perform effectively during the current volatile economic conditions, as well as being well placed to benefit as the economy lifts out of the global recession.

The Risk Management sector provides great appeal to Greencap. The demand for the group's services is driven in part by continually evolving legislation but also heightened corporate awareness of the need to better manage risk. There are emerging areas of global concern regarding sustainability, climate change, and emissions and the group is playing a greater role in advising clients in these areas as legislation becomes operable. The geographic range and skills reach of the group have been enhanced during the year, both through acquisitive growth, as well as internal growth initiatives.

The group reported gross revenues of $60m and an after tax profit of $ 6.8 m for the year, and generated operating cash flows of $5.3m. Whilst the underlying earnings result was slightly lower than originally forecast, we are very pleased with the level of performance attained against the slower economy.

The Company has achieved the following key milestones in the last 12 months;

- acquired 4 risk management service businesses
- achieved budgeted revenues notwithstanding the economic slowdown
- completed a $ 7.2 million equity raising to partly fund the acquisitions made during the year
- paid the Company's maiden dividend of 0.5 cent /share (FY08) with an increased dividend for FY09
- grown the group service capability to a level where the group supplied service solutions to over 4,500 clients, delivered by over 400 staff across 16 offices
- moved to deliver group solutions, leveraging off the range of individual business services within the group.

The Company continues to receive strong interest from businesses looking to join the Greencap group. Whilst we preserve the value drivers of the businesses acquired, the potential offered by leveraging the group skills to be better able to deliver group solutions is significant. By way of example, the Company recently secured participation in its own right, on a national based supplier panel. Our capacity to deliver services in a co-ordinated manner, utilising the wide range of skills and expertise inherent through the group is a key growth strategy for the Company.

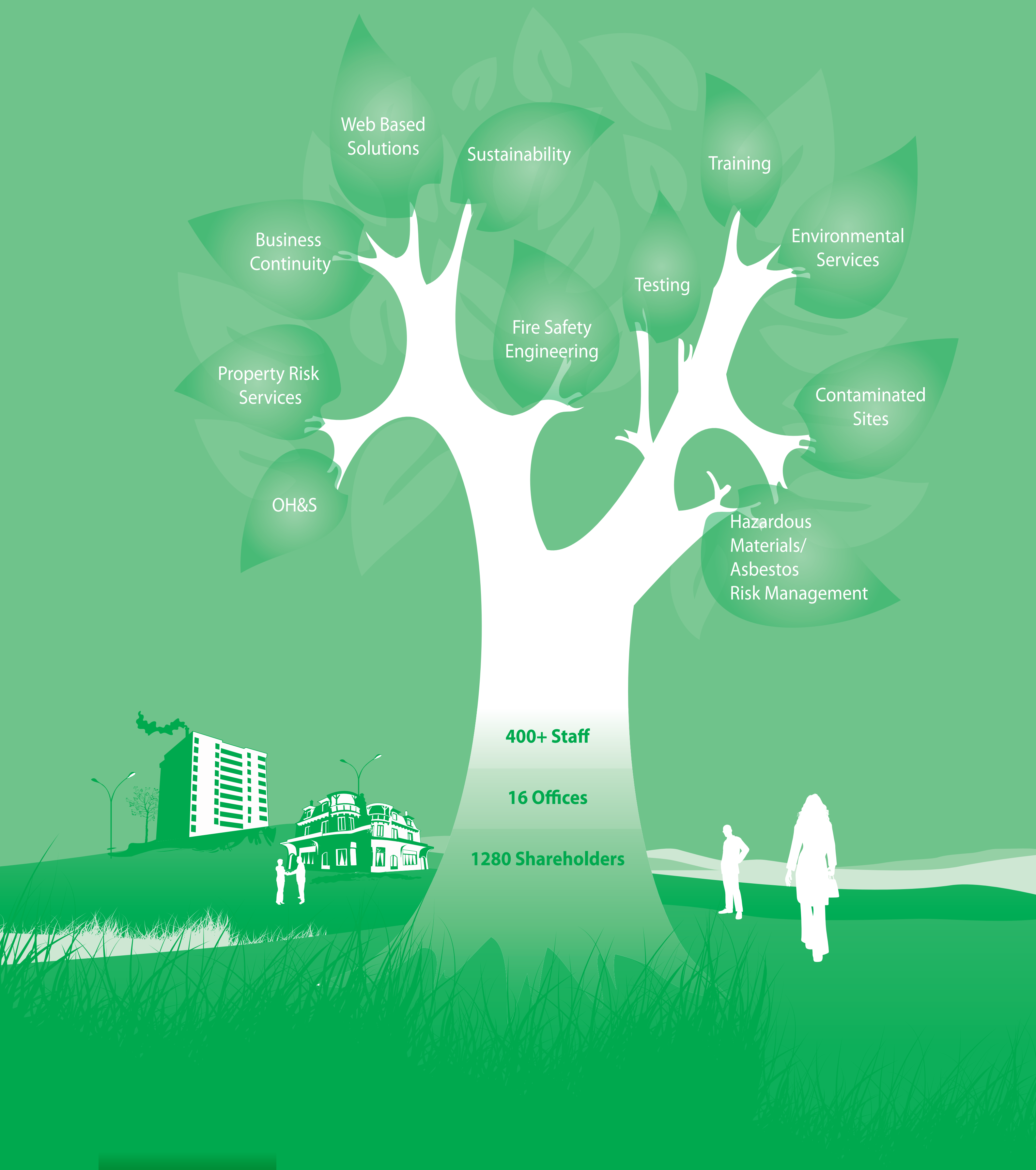
Greencap continues to invest in and introduce new skills into the group. The additional knowledge and capability such investment brings enables the group to further broaden its service offering and add value to clients. The continual focus of the group will be to assist clients to meet their business needs and expectations – by doing this Greencap truly fulfils its mission of protecting people, property and environments.

The Company recently announced it had entered into a Heads of Agreement (HOA) and subsequently an Implementation Agreement with Emerson Stewart Limited, to give effect to the merger of the two groups by a scheme of arrangement under the Corporations Act. The combination of the two listed companies would further extend the service offering of the combined group, as well as creating a number of operational synergies for the two companies. The merger is, at the date of this report, subject to a number of conditions precedent including due diligence.

We would like to take this opportunity to thank our staff, management teams and board members for an excellent effort and performance for the 2009 year. We remain committed to continuing to provide and develop a stimulating environment for all our staff.

Stephen Belben	Jeffrey Broun
Chairman	Managing Director

Growing our capability in
protecting people, property and environments™



Overview

The year to 30 June 2009 saw the Company continue its successful business strategy aimed at becoming the leading Risk Management group within Australia, attaining annual revenues of $60.3 million and net profit after tax (NPAT) of $6.8 million. The net profit after tax includes a tax credit of $0.97 million, being a tax benefit relating to prior year tax losses brought to account, and a final charge of $0.1 million in relation to the disposal of the discontinued healthcare business. The underlying NPAT prior to these two adjustments was $6.0 million.

The Company continued to receive positive support for its corporate objectives, evidenced by the successful capital raising of $7.2 million in September 2008 to assist with the completion of two business acquisitions at that time. The past year has seen local and overseas economies sustaining major changes in confidence, and hence how businesses, governments, and other stakeholders consider, assess, and implement various decision making activities. This shift in activity affected Greencap to a certain degree in terms of how our business operations have performed.

The economic slowdown had a flow on effect to our clients, and their use of the Company's services. The underlying NPAT result achieved for the 30 June 2009 year was slightly below the original expectations indicated at the commencement of the financial year. The Company considers however, that in light of the major shift in economic activity, the performance achieved during the financial year is a positive endorsement to both the nature of services that we provide, and the quality of the businesses acquired.

The Board's objectives for growing the Company and shareholder value continue to be those previously highlighted:

Objective	Current Status
a) Building a national Risk Management service capability with core deliverables covering our "tag line" of ***protecting people, property and environments™***	Greencap now has national service delivery capability with core service areas including; ● Environmental risk management ● Hazardous materials management ● Property risk management ● OH & S services ● Training services ● Sustainability services ● Testing / diagnostic services ● Business continuity management ● Web based tools and applications
b) Delivering the services via a coordinated group of successful, highly regarded businesses - by acquiring successful private businesses with their own culture, management teams and strategic growth plans, Greencap is the catalyst to assist its companies to grow. Greencap's role is to facilitate the acquisition strategy and assist the cross selling and synergy flowing from the members of the group.	Greencap has introduced seven successful individual businesses into the group, each demonstrating excellent management and business performance, coupled with leading market positions within their own specific areas of expertise
c) Growing the group through internal growth and by acquisition to $100 million pa revenue, >$10 million pa NPAT and a market capitalisation of >$100 million underpinned by a solid depth of market, liquidity and attractive dividend yield	Group revenues for FY 2009 $ 60.3 million / underlying NPAT $ 6.0 million. In terms of activity and performance levels, the group is progressing positively against the target levels.

The Board continues to maintain a positive long term outlook for the business, in terms of demand for its service offering, its ability to introduce additional well credentialed businesses into the group, and its ability to attract highly qualified individuals to join the group both in established service areas as well as in planned new service areas.

Whilst a core component of the growth strategy is through acquisition of complementary businesses, it is recognised that there is a need to manage the pace of acquisition during this period.

Increased emphasis and focus is being placed on fully harnessing the benefits, skills, client bases, and intellectual capital of the businesses acquired to date.

In addition, the Company is building new skills and service areas to further complement its service delivery and exploit the opportunities coming from government initiatives in the area of sustainability, incorporating greenhouse gas, emissions control, and carbon accounting.

Risk Management ("RM") involves identifying and managing risks affecting people, property and environments and is an industry that the board considers to be fragmented and provides an excellent opportunity for the Company to continue to assemble a high quality group of RM businesses and deliver quality outcomes for clients and stakeholders.

Corporate Summary

During the year ending 30 June 2009, the Company achieved a number of significant milestones.

On 18 August 2008, the Company completed the acquisition of the trading name, and business operations of AEC Environmental, an Adelaide based environmental risk management business. (refer note 27 for further details regarding consideration).

On 29 August 2008 the Company raised $1.2 million through the issue of 7.5 million new shares at an issue price of $0.16 per share to institutional and sophisticated investors, being the initial tranche of a total placement issue of 45 million new shares. The balance of 37.5 million new shares was subject to receiving shareholder approval at a General Meeting of Shareholders, held 26 September 2008.

At the General Meeting of Shareholders held 26 September 2008, shareholders approved the issue of 45 million new shares at an issue price of $0.16 per share to institutional and sophisticated investors, to raise $7.2 million. At the same meeting, approval was given to issue 37,999,560 new fully paid ordinary shares to the vendors of Trevor R Howse & Associates Pty Ltd, and Leeder Consulting.

The Company completed the placement of 37.5 million shares at an issue price of $0.16 per share on 30 September 2008 raising $6.0 million. These funds were applied to the acquisition of Trevor R Howse & Associates Pty Ltd and Leeder Consulting Pty Ltd.

On 30 September, 2008 the Company completed the acquisitions of Trevor R Howse & Associates Pty Ltd, and Leeder Consulting Pty Ltd (refer note 27 for further details regarding consideration).

On 12 May 2009, the Company through its wholly owned subsidiary Noel Arnold & Associates Pty Ltd, completed the purchase of the business of MC2 Pacific. (refer note 27 for further details regarding consideration).

Greencap continues to assess further acquisitions in the Risk Management area.

On 27 January 2009 the Company completed the disposal of 75% of its equity interest in Protex Healthcare (UK) Limited, being the wound dressing trading business of the discontinued operations. The disposal effectively ceases the Company's involvement with this business area, with no further financial commitments to that business operation.

Financial Review

A summary of the consolidated results for the full year is set out below.

	12 months to 30 June 2009 $ 000's	12 months to 30 June 2008 $ 000's
REVENUE		
Risk Management consulting	**60,252**	38,934
Corporate	**49**	50
Total Revenue	**60,301**	38,984
RESULTS		
Earnings before interest and tax	**9,586**	6,034
Interest expense	**(1,094)**	(581)
Profit Before Income Tax	**8,492**	5,453
Income Tax Expense – current year	**(2,526)**	(1,594)
– credit re prior year	**970**	-
Net Profit After Tax – continuing operations	**6,936**	3,859
Net Loss After Tax – discontinued operations	**(98)**	-
Profit attributable to members of Greencap Limited	**6,838**	3,859
Operating cash-flows	**5,355**	4,318
Investing activity cash-flows	**(15,427)**	(22,150)
Financing activity cash-flows	**8,849**	17,577
Closing cash	**3,787**	4,752
Closing Term Debt (Commercial bill and Vendor Loan)	**(14,560)**	(8,168)

The financial performance for the 2009 financial year includes earnings contributions from the newly acquired businesses, from each of their effective dates of ownership. The 2008 financial year was the first year of the Company completing the implementation of its new business direction as a provider of Risk Management services.

Whilst the Greencap investment philosophy is to enable and facilitate the management teams of acquired businesses to continue to manage and operate in a seamless transition, effective financial reporting controls are overlaid on all group businesses. Cash management, billing activity, and credit performance are monitored on a group wide basis through daily and weekly management reporting processes. Regular reporting procedures track operational performance against target performance levels, covering key areas of performance activity. The processes implemented ensure all business units remain accountable and responsible for actual and anticipated business performance.

As at 30 June 2009, the Company had gross borrowings of $15.5 million (which includes $ 0.95 million in respect of lease asset financing), representing 28.2% % of total equity. Net borrowings including cash funds represented 21.3% of total equity. Interest cover for the 12 month period was approximately 8.8 times, and the ratio of gross borrowings to EBIT was 1.61 times.

The Company will continue to assess its debt and gearing strategy. At present, the medium term target for the group is to have core debt at approximately 25% of equity, (with a lower band level of 20%) and a target gross debt / EBIT ratio of no more than 1.5 times. As the group undertakes further acquisitions, these target parameters may well be exceeded, but with a medium term target strategy to return to the stated target levels. Given recent movements in interest rates, the Company considers that the present gearing level utilised is appropriate for the needs of the group at this stage of its growth.

Capital Structure

The following changes to the capital structure occurred during FY09:

During September 2008, the Company issued 45 million new shares under a placement to institutional and sophisticated investors, in two tranches. Approval by shareholders for the issue was given at a General Meeting of Shareholders held 26 September 2008.

All of the acquisitions undertaken by the Company during the year were each funded in part through the issue of fully paid ordinary shares. In addition, new shares were also issued in respect of deferred consideration entitlements relating to the prior year acquisitions of ECC Pty Ltd and Environmental & Licensing Professionals Pty Ltd.

The Company paid a 0.5 cent per share dividend in October 2008. The Company utilises a Dividend Re-Investment Plan. As part of the dividend payment, shareholders were able to receive dividend entitlements in the form of Greencap shares, issued at 5% discount to the volume weighted average price for shares traded over the 5 trading days to 30 September 2008.

On 17 December 2008 the Company announced a buy-back of ordinary shares for holders of non-marketable parcels of shares. The buy back enabled holders of less than 2,800 shares as at 16 December 2008, to sell their full holding back to the company at 18 cents per share. The buy-back was completed on 19 January 2009, with 188 shareholders taking up the buy-back offer.

Movement in ordinary shares on issue	Shares
Balance at 1July 2008	165,741,553
Shares Issued;	
- as part consideration for purchase of AEC Environmental (18 August 2008)	8,750,000
- to staff as bonus entitlements in respect of June 2008 year performance (29 July 2008)	750,000
- under Placement – tranche 1 (28 August 2008)	7,500,000
- under Placement – tranche 2 (30 September 2008)	37,500,000
- as part consideration for purchase of Leeder Consulting Pty Ltd (30 September 2008)	9,000,000
- as part consideration for purchase of Trevor R Howse & Associates Pty Ltd (30 Sept 08)	24,937,500
- under Dividend Reinvestment Plan (21 October 2008)	588,510
- as part deferred consideration for purchase of ELP Pty Ltd (1 December 2008)	2,633,500
- as part deferred consideration for purchase of ECC Pty Ltd (1 December 2008)	250,000
- cancellation of shares purchased under share buy-back (19 January 2009)	(82,722)
- as part consideration for business of MC2 Pacific (11 May 2009)	500,000
Total shares on issue at 30 June 2009	**258,068,341**

Options

The Company has 50,000 unlisted options on issue as at 30 June 2009 each with an exercise price of $4.00 per option. 250,000 options with an exercise price of $4.00 per option expired on 30 June 2009.

Operational Review

Introduction

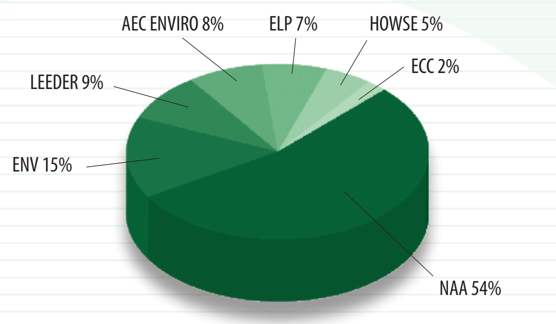
During the year ending 30 June 2009, all operating businesses in the group contributed positively to the overall Company result.

The Company performance for the financial year included contributions from AEC Environmental (from 18 August 2008), and Trevor R Howse and Leeder Consulting (both with effect from 30 September 2008). Each of these 3 businesses made a full contribution during the second 6 months of the financial year. MC2 Pacific commenced contributing from 12 May 2009.

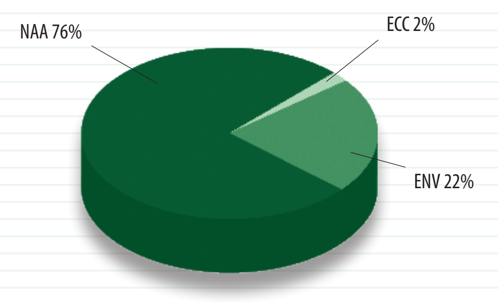
	6 months to 31 Dec 2008 $ 000s	6 months to 30 June 2009 $ 000s	12 months to 30 June 2009 $ 000s
Risk Management	31,572	28,680	**60,252**
Other Revenue	35	14	**49**
Total Revenue	31,607	28,694	**60,301**
Earnings before interest & tax	**4,732**	**4,854**	**9,586**
Interest Expense	(548)	(546)	**(1,094)**
Profit Before Tax	4,184	4,308	**8,492**
Income Tax Expense – current year	(1,281)	(1,245)	**(2,526)**
–credit re prior year	-	970	**970**
Net Profit After Tax	**2,903**	**4,033**	**6,936**
Net Loss After Tax – disposal of discontinued operations	-	(98)	(98)
Profit attributable to members of Greencap Limited	**2,903**	**3,935**	**6,838**
Earnings per share – continuing operations	1.33 cps	1.59 cps	**2.92 cps**
Cash flows generated in Operating activities	**1,514**	**3,841**	**5,355**

Revenue generation by group businesses during the 2009 Financial Year is compared to the group profile for the 2008 Financial Year.

Greencap 12 months June 2009 ***Revenue by Entity***



Greencap 12 months June 2008 ***Revenue by Entity***



The introduction of new businesses acquired in FY 2009, coupled with the full year contribution from ELP (acquired June 2008), has created a more balanced revenue profile across the group.

During the 12 month reporting period, Greencap group companies serviced in excess of 4,500 clients. 15% of total revenues in the period were generated from new clients won by group businesses, which is a sound testament to Greencap's ability to win new work in the present economic climate. Greencap however is not immune to the present economic environment and group companies, like many others, are experiencing greater lead time by clients committing to project work and scope of services.

Company Structure

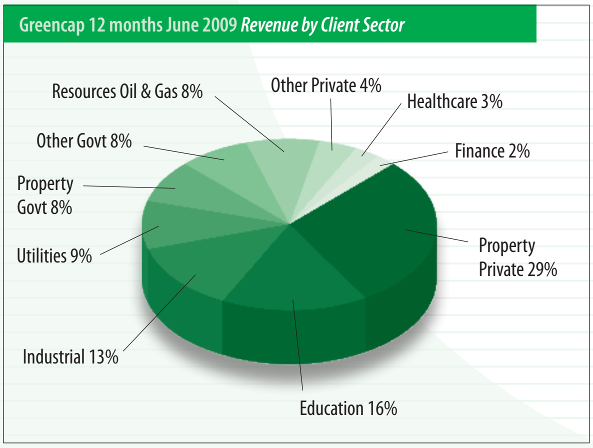
greencap LIMITED

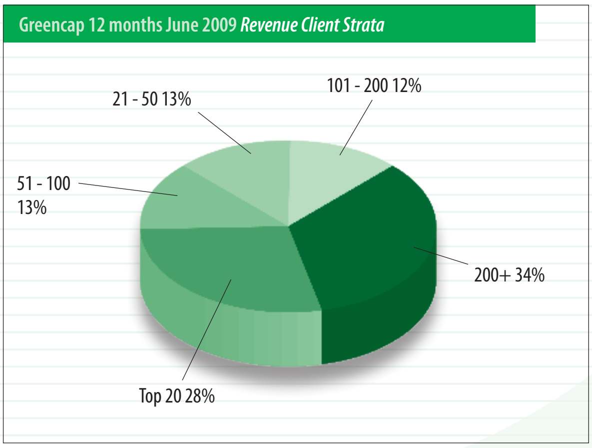
Company	**Noel Arnold & Associates Pty Ltd**	**ENV Australia Pty Ltd**	**ECC Pty Ltd**	**Environmental & Licensing Professionals Pty Ld**
Established	Established 1984	Established 2000	Established 1999	Established 1986
Head Office	Melbourne	Perth	Melbourne	Brisbane
contact CEO / GM	Andrew Meerman	Scott Bird	Wayne Dettmann	Bill Haylock
contact number	03 9896 8600	08 9289 8360	03 9820 1887	07 3239 9700
contact email	*andrew.meerman@noel-arnold.com.au*	*scott.bird@env.net,au*	*wdettmann@eccptyltd.com*	*bill.haylock@elp.com.au*
Other offices	Sydney, Brisbane, Canberra & Perth		Sydney	
Focus:	Risk management disciplines	Consulting on air, water, soil, flora and fauna management	Specialist Legionella, water and energy management consulting	Environmental management services
Including:	Asbestos risk management Occupational health and safety Fire safety and engineering Environmental services Business risk services Web based compliance RM	Earth Chemistry (contaminated land) Water and Sustainability Environmental Management Biological Sciences including: Flora & fauna surveys and monitoring	Legionella Investigations Water/Wastewater Management Plans Cooling Tower Risk Management Hospital Warm Water System Reviews Corrosion Evaluations Indoor Air Quality Environmental Management Plans	Assessment and Licensing Management Systems Development Environmental Auditing Environmental Training Title and Tenement Management Native Title and Cultural Heritage Greenhouse Gas Risk Management
Major clients	Business (ANZ, Australia Post, Coles, Leighton, Telstra, Toyota, Wesfarmers) , Government (Commerce, Defence, Education) and Regulatory Authorities (Comcare, NSW & Victoria Workcover).	Land development, resources, infrastructure, government and industrial sectors	Commercial, Health and Industrial sectors, providing specialist consultancy services associated with commercial buildings, hospitals, shopping centres, industrial and manufacturing sites throughout Australia.	Industry Clients in Mining, Exploration and Quarrying, Petroleum and Pipeline, Civil Construction, Urban Development, Telecoms, Energy and Port Facilities.
Other:	Includes 100% owned Trimevac (Staff of 25) - one of Australia's leading consulting companies specialising in Emergency Response training	Validus Group focuses on flora & fauna studies, environmental management.		Includes 100% owned Muddy Boots which reviews and provides Workforce Environmental Training programmes.
Staff: circa	275 staff	50 staff	9 staff	20 staff

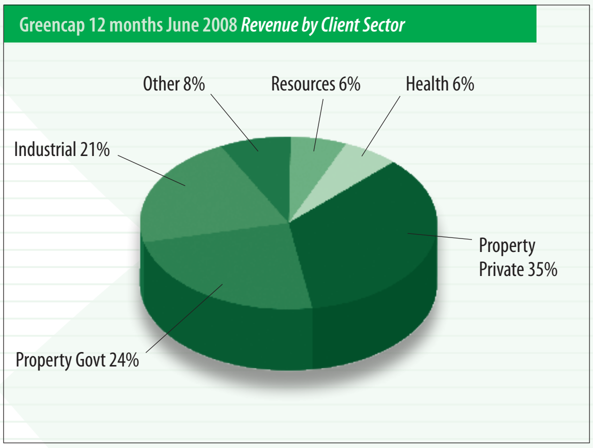


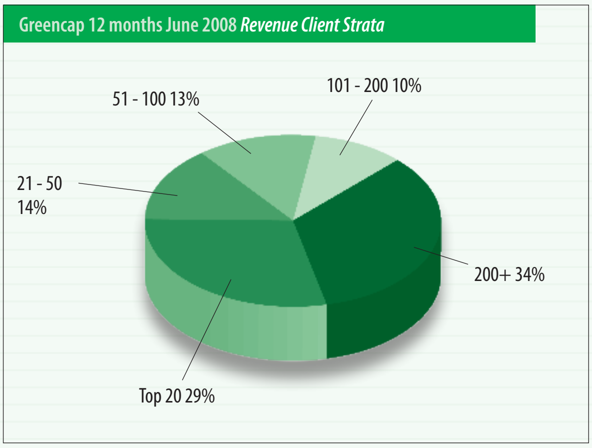
AEC Environmental Pty Ltd	Leeder Consulting Pty Ltd	Trevor R Howse & Associates Pty Ltd	MC2 Pacific Pty Ltd
Established 1993	Established 1998	Established 1989	Established 1992
Adelaide	Melbourne	Sydney	Sydney
John Todd	John Leeder	Hayden Howse	Martin Mitchelson
08 8299 9955	03 9874 1988	02 9251 4500	02 9460 2290
john.todd@aecaust.com.au	*john@leederconsulting.com*	*hhowse@trh.com.au*	*mmitchelson@mc2pacific.com.au*
Darwin	Adelaide, Brisbane		
Site contamination, Asbestos remediation, environmental audits	Laboratory - in high tech, non routine analytical services	Building regulations, fire safety engineering & management advice	Business continuity
Site investigations, risk assessment Site remediation and auditing Asbestos audits and removal. Environmental Management Statutory Audits Compliance Audits	Air analysis services, hydro carbon analysis dioxins and furans, PCB's , toxity Explosive residues, pesticides by LC/MS Health risk assessment fractionation data consulting numerous other capabilities	Building regulation advice Fire safety analysis, computer modelling Annual fire safety statements Industry representation	Emergency response Business risk Stakeholder communication Data protection
ANZ Bank, NAB, Commonwealth Bank, FRD Savills, Jones Lang LaSalle, Knight Frank, McMahon Services, Sims Metal, Department of Defence, Department of Transport, City of Burnside, City of Port Adelaide + various District Councils.	Alcoa, BHP, Bluescope Steel, BP, Coffey, ERM, GHD, Mobil Oil Australia, Parsons Brinkerhoff, SKM, URS and numerous other clients in resources and industrial areas plus government	numerous government departments, builders, architects, Allianz, Investa, ResMed etc	TransGrid,- NEMMCO,- Singapore Power, NSW Water Directorate, Hunter Water Corporation,Gosford City Council,- NSW Health, Ramsay Healthcare,Sydney University, Transport Infrastructure Development Corp,Sydney, Brisbane, Newcastle Ports, Landcom, Caltex
30 staff	30 staff	12 staff	6 staff









Provision of services to the property sector remains the dominant service area for the group. The primary activities within the property sector relate to hazardous materials risk management, implementation of property risk and audit programs, conduct of essential safety measures and building code compliance assessment programs, environmental services, and provision of technical risk services.

Trevor R Howse does have a greater direct exposure to the construction and development property sector than other group businesses. The New South Wales market has suffered a greater property development slowdown than other states.

The client strata profile of the group has remained constant when compared with the baseline position for the June 2008 financial year, with the top 20 clients accounting for 28% of revenues.

Operating Business Commentary

Noel Arnold & Associates Pty Ltd and its subsidiaries Trimevac Pty Ltd and MC2 Pacific Pty Ltd (collectively referred to as "NAA")

NAA experienced another year of growth, with gross revenues (including contractor recharges) exceeding budget and increasing 24% on the previous year. During the year 13% of revenue was generated by new clients. NAA provided services to over 2,500 clients, and the top 20 clients represented 36% of the revenue base.

Despite the global financial crisis, NAA's specialist market sectors of environmental services, occupational health and safety, asbestos management, fire safety, emergency management/planning and its web based contractor prequalification system (Cm3) exceeded performance expectations.

During the year NAA's service portfolio was enhanced by the acquisition of the business of MC2 Pacific effective 12 May 2009. MC2 Pacific offers a diverse range of Business Continuity Management services, including business risk, crisis management and communications, and contingency planning. It operates in key industry sectors such as energy, transport, utilities, infrastructure, health, and education.

The NAA group revenue in the 2008-2009 financial year has been primarily generated by the Private Property and Education sectors. They account for some 52% of income, and reflect NAA's ongoing success at attracting new clients, the commitment to existing clients and strengthening of strategic alliances that have resulted in ongoing and repeat work.

Some highlights include:

- NAA was selected on the Defence Environment and Heritage Panel for the provision of pollution and contaminated site assessment and management services.
- a large and complex soil remediation project for an Education Department property located on a former landfill site. The project involved successful on-site treatment of contaminated soils that delivered significant cost savings to the clients. The Victorian EPA highlighted this project as an example of proactive and efficient management of soil contamination issues.
- NAA completed an essential safety measures program for Australia Post, covering 400 sites in NSW.
- Trimevac established a further extension to the emergency management services contract with Centrelink, which covers 400 sites nationwide.
- Energy Australia appointed NAA to a four year contract to provide asbestos risk management services throughout the country.
- The ongoing growth of the Cm3 Contractor Prequalification system has been very positive. The web based portal was developed by NAA to assist organisations with the management of their contractors and subcontractors, to ensure that their safety and compliance issues and obligations are met. During the year a number of well known and high profile organisations have subscribed to the Cm3 portal to manage their prequalification process.
- Industry alliance established with the Plastics and Chemical Industry Association [PACIA] for the delivery of training & risk management services to member organisations.

Legislative changes have and will continue to be an important influence on demand for NAA services. In particular, NAA has maintained its focus on emerging changes within the spheres of: occupational health and safety relating to national harmonisation of legislation across all states, environmental requirements relating to resource and energy management, building fire safety compliance and increased reporting requirements and the increasing governance demands placed on business in general.

ENV Australia Pty Ltd ("ENV")/ Validus Group Pty Ltd

ENV continued to operate at capacity during the first half of the financial year and was exceeding expectations. However, demand for its service reduced as the second half progressed. As a consequence the revenue and profit generated from the business met the FY09 budgets set at the commencement of the year.

ENV's clientele primarily own, manage or control property. Property related work accounted for 72% of the business's activity during the year, with resources related work accounting for a further 13%. The remainder of services were provided to the utility sector, and local government. Public sector clients represented 25% of total activity, and 75% of service revenues being provided to the private sector.

Generally the property market went into a phase of correction late in the first half of the financial year and this downturn continued into the second half. In addition the resources industry experienced a downturn during the latter half of the year. Both these events had an impact on the level of activity in ENV resulting in a moderate decrease in productivity and consequently profitability, albeit from record highs.

Once again legislative changes were an important influence on demand for regulatory services. The requirement to conform to new legislation and guidelines continues to be the primary driver of demand for services and this fact has ensured continued demand for ENV's services despite the general economic downturn.

The development of infrastructure and resource projects continued to provide substantial demand for survey orientated work, especially in the biological sciences. This demand while being somewhat more uneven during the year than past years strengthened in the closing months of the year. Large scale assessments have been performed for major resource and infrastructure projects, in the Pilbara, Kimberley, mid-west and south west regions of Western Australia.

Demand for the assessment and remediation of contaminated land was maintained during the year. Despite a downturn in the property industry during the year ENV experienced strong demand from government authorities especially in the latter part of the second half. The complexities associated with this type of work, continues to ensure that competition in this area is limited.

The demand for environmental sustainability services provided new business opportunities during the year. The requirement to efficiently utilise and manage water resources continues to result in demand for services in water resource management.

The ability of ENV to continue to generate work from new clients in these economic conditions remains positive, with 21% of FY 2009 revenues coming from new clients.

In conclusion, ENV's performance over the year was relatively strong given the economic conditions experienced. General conformance to budget was achieved despite a general downturn in the industry sectors in which ENV operates.

ECC Pty Ltd ("ECC")

ECC continues to experience strong growth in the area of legionella risk, water and energy consultancy for the 2009 financial year, with a year on year growth in revenue of over 20% and continued growth projected for 2009/2010.

ECC is a specialist consultancy which provides advice in Legionella Risk Management, Water & Wastewater, Energy Efficiency and Asset Management associated with commercial buildings, industrial and manufacturing sites nationally. ECC's growth continues in legionella risk management, with an increase in the number of national projects demonstrating recognition of the business's skill in this area. Consulting services associated with water management and energy efficiency also provided significant growth for ECC during the 2009 financial year, with increased recognition of its engineering expertise creating future opportunities.

Although the current market is volatile, ECC remains focused on retaining existing clients and expanding its client base by providing quality consultancy services to key corporate clients such as Myer, Sydney Water and Qantas. ECC's current top 20 clients constitute in excess of 50% of the FY09 revenue, thereby providing excellent potential for future growth within this corporate group via a diversified services model.

ECC established an office in Sydney co-located within the NAA office at North Ryde, providing the ability to work with its sister company on joint business development opportunities for the Greencap group.

During the FY10 financial year, ECC plans to increase its staff numbers in the areas of risk and sustainability, with additional positions planned for Melbourne, Sydney and Brisbane.

Major projects undertaken by ECC during the year include cooling tower water efficiency studies on commercial, industrial, university and hospital sites for Sydney Water; a water management strategy for a large retail shopping group covering centres located in Victoria, NSW and Queensland; expert advice associated with cases of Legionnaires' disease ; a risk assessment associated with the use of treated blackwater in cooling towers for a new hospital; and a risk assessment on the operation and management of a grey water treatment plant in a large commercial building in Sydney.

ECC has now been in operation for 10 years and the outlook for the 2010 financial year is for continued growth. This is a reflection of the recognition of the quality of the consulting services capability in legionella risk, water and energy management which is acknowledged nationally. Joint marketing efforts with other Greencap group members, the continued focus of our clients on sustainability, plus legislative requirements will underpin continued success for ECC in 2009/2010.

Environmental & Licensing Professionals Pty Ltd ("ELP")

ELP continued to experience strong growth with FY09 revenues increasing 32 % over FY08.

The continued strong development of Coal Seam Gas (CSG) resources and the expeditious need for approval of LNG and pipeline infrastructure is forecast to be maintained over the next year or two. The rate of growth in Australia's primary energy consumption is expected to be around 2% for the next few years. These factors bode well for ELP as it is well positioned to maintain its services to these rapidly developing Queensland industries.

ELP has a good pipeline of work with excellent growth also expected from ELP's Native Title and Cultural Heritage areas. In the past 12 months, ELP has assisted many clients with ancillary agreements with native title parties, and in successfully meeting their cultural heritage duty of care obligations as part of their exploration work programs.

Over the past 12 months ELP has continued to establish its specialist services for Greenhouse Gas (GHG) risk management including emissions reporting (NGERS). ELP has provided services to clients in the area of NGER Act registration, NGER Act and CPRS Act advices, Greenhouse Gas assessments for Power stations and undertaken National Pollution Inventory (NPI) submissions for gas fired power stations and gas pipelines.

The consulting opportunities arising from this legislation are expected to gain momentum in the next 12 months, as the impact of the legislation and guidance becomes better understood by stakeholders.

Major power and mining projects for which ELP are currently providing specialist licensing and environmental services have ongoing committed requirements through to 2012.

The team also provides support to the development of current infrastructure projects in the CSG field, unifying environmental approvals for existing operations, managing applications for development of new petroleum leases including various associated infrastructure projects.

ELP continues to support the environmental licensing, approvals and environmental management at a number of Gas-Fired power stations in the Darling Downs area of Queensland.

ELP also continues to support a diverse range of clients with environmental approval and management of land development projects including retirement villages, sand extraction, and infrastructure projects.

Muddy Boots, the training arm of ELP, continued to provide environmental training to new and existing clients across a wide range of industries throughout Australia including construction, mining, agriculture, energy and water.

The ELP business is extremely well positioned to leverage off the service capabilities provided by other Greencap group companies, and the prospects for FY 2010 are highly positive.

AEC Environmental Pty Ltd ("AEC")

AEC has experienced strong growth during the 2009 financial year and a number of initiatives established at the commencement of the financial year and incorporation into the Greencap Group has increased the profile of the business. AEC achieved year on year revenue growth of 25%, and EBITDA growth of 34% .

AEC offers three key services being contamination site assessment and remediation, hazardous materials assessment and management and Statutory Audit services for site contamination issues. AEC's contaminated sites Auditor has continued to expand that component of the business, and has attained a strong profile within this specialist sector in Australia. Hazardous materials work has also experienced strong returns. Whilst the global financial crisis has affected the property development market, strategic planning by AEC Environmental has largely managed any down turn by marketing aggressively to State and Local Government clients to continue good performance in site contamination assessment and remediation work.

The start of financial year 2010 has seen positive outcomes from the previous 12 months of planning. AEC has recently won three major remediation projects for urban development. The largest of these remediation projects is for the most significant urban development in South Australian history with an estimated development value of $1.5 billion. Furthermore, recent announcements by the State Government and the release of its 30 year development plan show a commitment to revitalising derelict land and creating urban regeneration.

AEC has positioned itself to be a leading service provider in this area and a number of recent key appointments will help sustain a continued high quality service to the site contamination market.

Recent changes in SA Environmental Legislation will increase the demand for Statutory Auditing services and continued strong growth in this area is anticipated.

AEC has also diversified its skill base for hazardous materials assessment to gain work in property risk assessment and occupational hygiene. AEC is working closely with its sister company NAA in developing this strategic initiative, drawing on the skills knowledge and expertise of the NAA business. It is expected that this will be a good growth area over the next few years.

AEC typically has over 500 clients per year many of whom are repeat customers. A key focus area for the business is to maintain its client base through service excellence, with the recognition that timely delivery of key information is critical to clients' success, as well as providing pragmatic and cost-effective options. This is a core belief which is enhanced through the Greencap Group and the philosophy of ***protecting people, property and environments***TM.

AEC has a very optimistic outlook for the 2010 year with its current work in hand forecast being the strongest in the history of the business.

Trevor R Howse & Associates Pty Ltd ("TRH")

The economic slowdown over the past 12 months has significantly affected the primary marketplaces in which **TRH** operates. In providing building code advisory services to the property and construction development sectors, TRH has a more direct exposure to the recent trends within those particular sectors and performance has been affected due to factors outside the control of the business. Consequently, this has resulted in a downturn of services provided to both key government and non-government clients.

Whilst affected by the slowdown in the construction sector within New South Wales, the TRH business continues to generate and maintain good margins on activity undertaken.

Throughout this period though, increased attention has been given to business development activities, which has served to win new clients within New South Wales. Most recently, the business has been extremely successful in winning work associated with the Federal government's "Building the Education Revolution" initiative, implementing surveys on a large number of school projects.

While the immediate benefit of this is to soften the impact of reduced revenue from existing clients, the long term benefit is expected to be an increase in revenue once positive sentiment and investment in the marketplace returns.

The new financial year is also expected to be quite challenging, with a return to some degree of dependability in the construction sector not expected to commence until FY11.

Leeder Consulting Pty Ltd ("Leeder Consulting")

Since joining the Greencap group, **Leeder Consulting** has continued to perform extremely well, whilst operating in an uncertain environment resulting from the global financial crisis.

Leeder Consulting is a world leader in providing specialised sampling and analytical services. Leeder has offices in Adelaide, Melbourne, Brisbane and expansion plans for a new regional laboratory. Having access to leading edge technology and expertise in Australia as well as from overseas, enables Leeder Consulting to deliver the very highest quality results for its clients.

Flexibility, experience and multidisciplinary skills mean staff are able to provide clients with an analytical solution on time. Specialised technical services, coupled with a willingness to tackle the more difficult and challenging projects ensures Leeder's clients get results.

Leeder Consulting achieved year on year revenue growth of 8 %, and EBIT growth of 25%.

Leeder Consulting has delivered an excellent performance in both revenue and profit contributions during the year ended 30 June 2009. This was achieved by developing new specialised services for the oil and gas market. These services have allowed Leeder Consulting to continue its growth with the current client base and develop relationships with new companies.

Leeder's diverse customer base in key market segments and specialised technical offering provides the directors with confidence for continued growth in revenue and profit for the year ahead. Leeder is anticipating a major uplift in its Queensland sourced work during FY10 & FY11 which will further underpin the work flow through the laboratory.

The Board is a strong advocate of corporate governance and seeks to ensure that Greencap Limited fulfils its corporate governance obligations and responsibilities to all its stakeholders.

On 31 March 2003, the Australian Stock Exchange released the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Principles"). In conjunction with the ASX Listing Rules, the ASX Principles require companies to disclose in their annual reports whether their corporate governance practices follow the ASX Principles on an "if not, why not" basis.

Furthermore, on 2 August 2007, the ASX Corporate Governance Council released its revised Corporate Governance Principles and Recommendations. There are eight ASX Principles and we summarise our compliance hereunder.

Greencap conducted a review of its existing corporate governance policies and practices and updated or replaced its policies where improvements were considered appropriate.

The "keep it simple" approach has been adopted in this document to ensure that it is clearly understood by all readers and is sufficiently "user friendly" to serve as a practical guide for directors and management in executing their responsibilities on a day-to-day basis.

The Recommendations are not prescriptions, they are guidelines, designed to produce an outcome that is effective and of high quality and integrity. The ASX Principles do not require a "one size fits all" approach to corporate governance. Instead, it states suggestions for practices designed to optimise corporate performance and accountability in the interests of shareholders and the broader economy. If a company considers that a Recommendation is inappropriate to its particular circumstances, it has the flexibility not to adopt it – a flexibility tempered by the requirement to explain why – the "if not, why not" approach.

Following the commentary on Governance we summarise compliance with the guidelines. The directors are committed to annually reviewing these policies to assure they reflect current standards for good corporate governance.

1. Lay solid foundations for management and oversight (ASX Principle 1)

Role of the Board and Management

The role of the Board is to oversee and guide the management of Greencap Limited and its businesses with the aim of protecting and enhancing the interests of its shareholders, taking into account the interests of other stakeholders including employees, customers, suppliers and the wider community. The Board has a charter which clearly establishes the relationship between the Board and management to facilitate Board and management accountability to Greencap and its shareholders.

The Board's responsibilities are summarised below:

- The Board is responsible to shareholders for the performance of Greencap and it's controlled entities;
- The Board is responsible for the appointment, performance evaluation and removal of the Chairman of the Board;
- The Board is responsible for appointment, performance evaluation and removal of executive and non-executive directors;
- The Board is responsible for appointment, performance evaluation and removal of the Managing Director ;
- The Board is responsible for appointment, performance evaluation and removal of the Company Secretary;
- The Board is responsible for the appointment of a Finance & Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Mergers and Acquisitions Committee to assist the Board in the discharge of its responsibilities;
- The Board is responsible for providing input into and final approval of management's corporate strategy and performance objectives;
- The Board is responsible for monitoring management's performance and implementation of strategy and ensuring appropriate resources are available;
- The Board is responsible for approving and monitoring financial and other reporting to ensure timely and accurate communication to shareholders;
- The Board is responsible for monitoring and approving capital management and any acquisitions and divestitures; and
- The Board is ultimately responsible for taking all reasonable measures to ensure that the consolidated entity complies with the ASX Principles.

The Chairman is responsible for the leadership of the Board, efficient organization and conduct of Board functions, briefing directors on all matters relating to the role and responsibilities of the Board and for ensuring that directors understand and fulfil their obligations as directors.

The Managing Director is responsible to the Board for the day-to-day management of the consolidated entity. In particular, the Managing Director is responsible for:

- the overall management and implementation of policies, strategies, and performance standards and objectives approved by the Board;
- identification of acquisitions;
- agreeing performance objectives for nominated employees and ensuring that actual performance is reviewed annually against these objectives; and
- promoting ethical standards throughout the organisation which enhance investor confidence.

Mr Jeffrey Broun was appointed as Managing Director with effect from 19 July 2007, when the acquisitions of Noel Arnold & Associates Pty Ltd, and ENV Australia Pty Ltd, were completed by the Company.

The roles of Chairman and Managing Director are held by different people per the ASX recommendations. The Chair is independent.

Directors and senior executives are encouraged to take advantage of continuing education opportunities to enhance their skills and knowledge which enable them to effectively discharge their responsibilities.

The roles and responsibilities of the Board and management are consistent with those set out in ASX Principle 1.

2. Structure of the Board to add value (ASX Principle 2)

The Board is currently comprised of four directors, including the non-executive Chairman, and one other non-executive director. As previously advised, the Company will continue to transition the Board structure such that it meets ASX recommendations.

Director Independence

Directors are expected to bring independent views and judgement to the Board's deliberations.

ASX Principle 2 recommends that the Board be structured to include a majority of non-executive independent directors, a non-executive independent Chairman and to have different persons filling the roles of Chairman and Managing Director / Chief Executive Officer.

An independent director is a non executive director who is free of any business or other relationship that could interfere with, or be perceived to interfere with, their unfettered and independent judgement. ASX Principle 2 indicates that an independent director should not be a substantial shareholder of the Company.

The Board has reviewed the position and associations of each of the four directors currently in office at the date of this report and in considering whether a director is independent, the Board has had regard to the independence criteria in ASX Principle 2 and other facts, information and circumstances that the Board considers relevant. In forming this view, the Board also employed AASB Standard 1031 – Materiality to determine levels of materiality. The Board considers two of the current directors to be non executive. The non executive directors are shareholders of Greencap Limited. However, the Board does not consider this fact as interfering with their unfettered judgement, therefore the Board considers each non-executive director to be independent.

The Board is cognisant of the ASX Principle such that a majority of the Board should be independent directors. The Company has transitioned its Board structure since the previous financial year, and will continue to implement further structural changes.

The non-executive directors who are regarded by the Board as independent at the date of this report are:

Mr Stephen Belben (Chairman)

Mr Andrew Gay

The directors who are not considered to be independent are the executive directors at the date of this report, being:

Mr Jeffrey Broun

Mr Scott Bird

The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate. The Directors will continue to assess the structure of the Board of Directors in light of the ongoing development of the Company.

Performance Evaluation

The directors consider the performance of the Board as a whole, and individual directors, on an ongoing basis. The Board takes external professional advice in relation to specific governance matters. The Board has initiated a review process of key executives throughout the group, which in conjunction with the Nomination & Remuneration committee, will establish annual review procedures for key group executives.

Committees of the Board

Four standing Board committees assist the Board in the discharge of its responsibilities. These are:

- the Nomination and Remuneration Committee;
- the Finance & Audit Committee;
- the Corporate Governance Committee; and
- the Mergers and Acquisitions Committee

These Committees review matters on behalf of the Board and make recommendations for consideration by the entire Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee, under the guidance and direction of the Chairman of the Board, reviews and makes recommendations to the Board on the Board's operation and performance; reviews Board composition and makes recommendations for new appointments to the Board; assesses the necessary and desirable competencies of Board members; reviews the Board succession plans; reviews and makes recommendations on remuneration policies for Greencap Limited and its subsidiaries including, in particular, those governing the directors and senior management.

The current members of the Nomination and Remuneration Committee are:

Mr Stephen Belben

Mr Andrew Gay

The composition, operation and responsibilities of the committee are consistent with the 2003 ASX Principle 2.

Finance & Audit Committee

The Finance & Audit Committee monitors internal control policies and procedures designed to safeguard the assets of Greencap Limited and its subsidiaries and to maintain the integrity of financial reporting, consistent with ASX Principle 4.

The Audit Committee's responsibilities include:

- Assessment of whether external reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
- Assessment of the processes supporting external reporting;
- Selection and appointment of the external auditor and the rotation of external audit partners;
- Recommendations for the removal of the external auditor;
- Assessment of the performance and independence of the external auditors; and
- Assessment of the systems for internal compliance and control, legal compliance and risk management.

The current members of the Finance & Audit Committee are:

Mr Stephen Belben (Chairman)

Mr Jeffrey Broun

Mr Michael Slater

Mr Mark Thompson (CFO NAA)

Mr Hugh Lennerts (Company Secretary)

The external auditors and any other persons considered appropriate attend meetings of the Finance & Audit Committee by invitation. The committee also meets from time to time with the external auditors independent of management.

There is not a majority of independent directors on this committee. The Company intends to move closer to the ASX guidelines for this committee over the next two years.

Corporate Governance Committee

The Corporate Governance Committee under the guidance and direction of the Chairman of the Board, reviews and makes recommendations to the Board on the Board's corporate governance compliance. The committee will continue to review the Company's compliance and procedures in respect of Corporate Governance Principles, and ensure appropriate new principles are introduced by Greencap.

The current members of the Corporate Governance Committee are:

Mr Andrew Gay (Chair)

Mr Jeffrey Broun

Mr Michael Slater

Mergers & Acquisitions Committee

The M&A Committee under the guidance and direction of the Managing Director is tasked with the responsibility of identifying acquisitions. The committee has detailed templates consistent with the Company's investment criteria and the committee works with various deal flow originators to ensure maximum coverage in Australia.

The M&A Committee conducts first stage due diligence and reports directly to the board on progress in respect of potential targets identified.

The current members of the M&A Committee are:

Mr Jeffrey Broun (Chair)

Mr Michael Slater

Mr Scott Bird

Mr Stephen Belben

3. Promote Ethical and responsible decision making (ASX Principle 3)

The Board has adopted the Code of Conduct produced by the Australian Institute of Company Directors to guide the directors and promote high ethical and professional standards and responsible decision making.

A code of ethics and conduct has been established to guide the directors, the MD and other key executives as to the practices necessary to maintain confidence in the integrity of Greencap Limited and its subsidiaries and to allocate responsibility and accountability of individuals for reporting and investigating unethical practices.

Employees and directors are expected to respect the law; respect confidentiality; properly use group assets, information and facilities; value and maintain professionalism; avoid conflicts of interest; act in the best interests of shareholders; contribute to the reputations of Greencap Limited and its subsidiaries as good corporate citizens; and act with honesty, integrity, decency and responsibility at all times.

Directors are entitled to request additional information from management to support informed decision making.

Both the Board's Code of Conduct and the Code of Ethics and Conduct are consistent with ASX Principle 3.

Under Greencap Limited's share trading policy, all employees and directors of Greencap and its subsidiary companies are prohibited from trading in the company's shares or other securities if they are in possession of "inside information."

Subject to this condition, and in the light of ASX's continuous disclosure requirements, trading can occur at any time. However, in order to trade, directors and employees must advise the Company Secretary of their intention to trade and must also have been advised by the Company Secretary that there is no known reason to preclude them trading in the company's shares or other securities.

The share trading policy is consistent with ASX Principle 3.

4. Safeguard Integrity in Financial Reporting (ASX Principle 4)

A review and authorisation process is in place to ensure that the presentation of the company and the consolidated entity's financial position is factual. The two most significant elements of the review and authorisation process are:

- The company and the consolidated entity's financial report preparation and approval process involves both the executive directors providing a written statement to the Board that, to the best of their knowledge and belief, the company and the consolidated entity's financial report presents a true and fair view, in all material respects, of the financial condition and operating results and is in accordance with applicable accounting standards; and
- The Board has a Finance & Audit Committee which comprises the non-executive Chairman of the Company, an executive director, the Chief Financial Officer and the company secretary and the NAA CFO. The Chairman of the Audit Committee is the Chairman of the Board. All members of the Audit Committee are financially literate. A formal charter has been developed and clearly sets out the Audit Committee's role and responsibilities.

The policies are consistent with ASX Principle 4.

5. Make Timely and Balanced Disclosure (ASX Principle 5)

The Managing Director is responsible for establishing and implementing written policies and procedures to ensure compliance with the disclosure requirements of the Australian Securities Exchange.

Greencap Limited has adopted a comprehensive policy covering:

- Announcements to the Australian Securities Exchange, including commentary on financial results;
- Prevention of inadvertent disclosures;
- Investor and analysts briefings; and
- Media communications.

The policy is reviewed periodically and updated as required.

The Company Secretary has responsibility for:

- co-ordinating disclosure of information to the Australian Securities Exchange;
- ensuring that announcements are made in a timely manner; and
- circulating announcements to all Board members.

The disclosure policy is consistent with ASX Principle 5.

6. Respect the Rights of Shareholders (ASX Principle 6)

Considerable importance is placed on effective communications with shareholders. The Managing Director in conjunction with the Company's Investor Relations Officer has developed a communications strategy to promote the timely communication of information to shareholders through the distribution of:

- the annual and half-yearly reports covering operating performance;
- quarterly reporting to the Australian Securities Exchange covering cash flow performance; and
- announcements through the Australian Securities Exchange regarding developments and achievements in its businesses.

All financial reports, Australian Securities Exchange announcements, media releases and significant business presentations are posted on Greencap Limited's website.

Greencap reviews and updates the contents of its website on a regular basis.

The external auditor is requested to attend the Annual General Meeting to answer any shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Greencap regularly reviews its communication strategy and underlying policies and processes to ensure effective communication with shareholders is maintained.

The communication policies are consistent with ASX Principle 6.

7. Recognise and Manage Risk (ASX Principle 7)

The consolidated entity is committed to the identification, monitoring and management of risks associated with its business activities.

The executive directors are responsible for implementing internal risk management procedures and controls. A number of risk management controls have been established and include:

- guidelines and limits for approval of capital expenditure and investments;
- a compliance programme covering areas such as occupational health and safety, legal liability, risk identification, quantification and reporting and financial controls;
- a comprehensive annual insurance programme;
- a formal annual planning process, incorporating business units consideration of key strategic issues and initiatives;
- forecasting and monthly reporting systems which enable the monitoring of progress against performance targets and the evaluation of trends; and
- appropriate due diligence procedures for acquisitions and divestments.

Management is ultimately responsible to the Board for the system of internal control and risk management. The Finance & Audit Committee assists the Board in monitoring this role.

The executive directors have provided the Board with a written statement that:

- the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the consolidated entity's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The risk management policies are generally consistent with ASX Principle 7. Given the consolidated entity's size and complexity, an internal audit function has not been considered necessary.

8. Remunerate Fairly and Responsibly (ASX Principle 8)

Greencap Limited is committed to transparency in relation to the remuneration of directors and executives to allow investors to understand that there is a clear relationship between performance and remuneration.

The consolidated entity's remuneration policy is as follows:

The Nomination and Remuneration Committee is responsible for determining and reviewing compensation arrangements for the directors and specified executives. The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of directors and specified executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Directors and executives are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the consolidated entity.

To assist in achieving its objectives, the Nomination and Remuneration Committee links the nature and amount of executive and directors' emoluments to the consolidated entity's financial and operational performance.

Greencap complies with the Corporations Act requirement to make annual disclosures of the nature and amount of each element of the salary or fee paid to each director and to the 5 key management personnel of the consolidated entity.

Greencap complies with ASX listing rules and discloses the main elements and terms of employment agreements entered into with key executives.

The remuneration policies are consistent with ASX Principle 8.

The Company did not comply with the following ASX Corporate Governance Council Recommendations, being;

a) that during the period 1 July 2008 to the date of this report, Recommendation 2.1, being that a majority of the board of directors be independent directors. The Board of Directors during the reporting period consisted of a maximum of 7 directors. At the date of this report, the number of directors has reduced to four. The Board considers that the 2 non-executive directors are independent. The Company intends to further transition the Board structure to support this guideline; and

b) that during the period 1 July 2008 to the date of this report, Recommendation 4.3, being that the Finance & Audit Committee consists only of non-executive directors. The Company intends to transition the Finance & Audit Committee structure to comply with this guideline.

Your directors submit their report for the year ended 30 June 2009.

DIRECTORS

The names and details of the directors of the Company in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Current Directors at the date of this Report

Stephen Belben
Non Executive Chairman

Prior to joining Greencap Limited, he was a Senior Partner in a worldwide accounting firm. He holds a Bachelor of Accounting and a Bachelor of Commerce (Hons) degree and is a member of the Institute of Chartered Accountants in Australia.

Mr Belben is an executive director of St George Capital, an independent boutique investment management company based in Perth Western Australia.

Jeffrey Broun
Managing Director

Mr Broun is a Chartered Accountant of some 30 years standing, including 10 years as corporate partner of a medium sized chartered accountancy practice. Mr Broun has extensive experience in corporate advisory work, capital raisings, due diligence management, M&A and stock exchange listings.

He holds a Bachelor of Business (Distinction) and is a Fellow of the Institute of Chartered Accountants in Australia.

Mr Broun has been a director and company secretary of a number of public listed companies over the past 10 years. His key focus is driving the corporate outcomes for the Company including M&A dealings, interface with the capital markets, and investor relations aimed at growing the market capitalisation of the Company.

Scott Bird
Executive Director

Mr Bird has over 20 years experience as a consulting Environmental Scientist in project management, impact assessment, and contaminated site investigations and auditing. He is the Managing Director of ENV, having established the business in 2000. Prior to establishing ENV, he was the Western Australia State Manager for Egis Environmental.

Mr Bird holds a BSc Hons (Major in Geology), BSc (Major in Zoology), and holds Environmental Systems Auditor Training – AS/NZS ISO 14001:1996. He is a Member of the Environmental Consultants Association.

Mr Bird has particular skills in environmental management providing high level advice to a broad range of both public and private sector clients, especially in the land development and resource sectors. Mr Bird has successfully developed the ENV business from its formation in 2000, by managing multi disciplined teams, focused on achieving environmental approvals and assisting clients to meet environmental objectives.

Andrew Gay
Non-Executive Director

Mr Gay is based in the United Kingdom. He was educated in South Africa at Cape Town University and at the post-graduate business schools at Bradford (UK) and Stanford (USA). He has 37 years experience as a chief executive of large companies operating internationally. He has chaired some 9 companies representing his own and venture capital interests. He is currently acting for the UK's Ministry of Justice as interim Chief Information Officer overseeing some £3b of ICT procurement contracts and is leading a departmental reorganisation to save 20% on costs. He a fellow of the Chartered Institute of Building and is a Freeman of the City of London.

Previous Directors who held office during the financial year.

Noel Arnold
Non-Executive Director - resigned 24 September 2009

Mr Arnold is the founder of NAA, with over 35 years experience in the risk management and occupational health and safety service sector.

Mr Arnold has extensive knowledge of the Risk Management sector, gained through managing a wide range of client risk solution projects. He holds a Grad Dip in Health ED, a Grad Dip Occupational Hygiene, a Grad Dip Occupational Hazard Management, and is a Member of the Safety Institute of Australia.

Mr Arnold stepped down as Managing Director of Noel Arnold & Associates Pty Ltd on 31 December 2008, from which point he acted as a non-executive director, contributing his significant knowledge of the risk management service sector to the company.

Andrew Meerman
Executive Director – resigned 15 September 2009

Mr Meerman has 25 years consulting experience in the field of occupational health and safety. He is the Managing Director of NAA and has played a key role in the development of NAA's national operations and profile. Mr Meerman holds a BA Engineering (Mech), Master of Engineering Science (Human Factors), Grad Dip Ergonomics, Grad Dip of Occupational Hygiene, and is a Fellow of the Safety Institute of Australia

Mr Meerman is also responsible for leading consulting assignments for a diverse range of clients. In addition, he has wide experience in developing risk management systems, auditing of existing programmes, and development of practical performance improvement programmes.

Mr Meerman has extensive experience in applying relevant management system frameworks (Aust Standard AS / NZS 4801, SafetyMAP, Self Insurance Guidelines, ISO 14000) to evaluate and improve occupational health and safety / risk management systems in a variety of organisations. He has a particular interest in the development of leadership strategies and programmes within organisation to facilitate improved performance in client organisations.

Mr Meerman assumed the role of Managing Director of Noel Arnold & Associates Pty Ltd with effect from 31 December 2008.

Michael Slater
Executive Director – resigned 10 June 2009

Mr Slater is a Chartered Accountant of 25 years standing, being a member of both the Institute of Chartered Accountants in Australia and the Institute of Chartered Accountants in England and Wales. He also holds a Bachelor of Arts in Accountancy.

Mr Slater has experience in a number of areas, including strategic business change, M&A project management, and financial management, encompassing capital raising, treasury, investor relations and corporate governance. He has experience of operating in Europe, North America, the Near East, and Australia, across a broad range of industry sectors.

Mr Slater has worked with companies including Mayne Nickless, Guardian Royal Exchange / AXA, Charterhouse, Farsands Solutions Limited and ERG.

Mr Slater's key responsibilities cover group financial management, internal treasury management for the group, operational coordination, finance, reporting, governance and assessment of prospective acquisitions.

Mr Slater continues in the capacity of Chief Financial Officer of the Company.

John Priest
Non-Executive Director – appointed 10 June 2009 – resigned 8 July 2009

Corporate Officer

Hugh Lennerts
Company Secretary

Mr Lennerts is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institute of Chartered Secretaries, a Fellow of the Certified Practising Accountants, and holds an MBA.

He is also currently Company Secretary to Antares Energy Limited.

Interests in the shares and options of the company

The interests of the current directors in the shares and options of Greencap Limited as at the date of this report are set out below.

	Interest in Ordinary Shares	Unlisted Director Options
S. Belben	26,992	-
J. Broun	*2,217,787	-
S. Bird	8,190,519	-
A. Gay	532,629	25,000

* 1,650,000 of this shareholding is held by the Trustee to the Company Employee Share Trust.

PRINCIPAL ACTIVITIES

The principal activities during the year of entities within the consolidated entity were the provision of professional consulting services and advice in relation to a range of risk management services, including:

- occupational health and safety management;
- environmental services;
- hazardous materials assessments, audits, and asbestos risk management;
- investigation of contaminated land and sites, development of remediation plans, and management of remediation projects;
- flora and fauna surveys;
- emergency management and evacuation planning, assessments, and audits;
- building code assessments;
- testing and laboratory services;

- business continuity advice;
- property risk services;
- sustainability advice;
- training programs; and
- web based solutions.

The Company continues to identify further investment opportunities to complement the risk management activities of the group.

There were no significant changes to the nature of the principal activities of the Company during the financial year.

OPERATING AND FINANCIAL REVIEW

The net operating profit of the consolidated entity for the year after tax and outside equity interests amounted to $6.838 million (2008: $3.859 million).

Please refer to the Operating and Financial review on pages 4 to 14 of the Annual Report, which contains a full description of operations.

DIVIDENDS

The directors recommended the payment of the dividends as detailed below.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, Greencap Limited completed a number of actions, which are noted below:

- On 18 August 2008, the Company completed the acquisition of the trading name, and business operations of AEC Environmental, an Adelaide based environmental risk management business. (refer note 27 for further details regarding consideration).
- On 29 August 2008 the Company raised $1.2 million through the issue of 7.5 million new shares at an issue price of $0.16 per share to institutional and sophisticated investors, being the initial tranche of a total placement issue of 45 million new shares. The balance of 37.5 million new shares was subject to receiving shareholder approval at a General Meeting of Shareholders held 26 September 2008.
- At a General Meeting of Shareholders held 26 September 2008, shareholders approved the issue of 45 million new shares at an issue price of $0.16 per share to institutional and sophisticated investors, to raise $7.2 million. At the same meeting, approval was given to issue 37,999,560 new fully paid ordinary shares to the vendors of Trevor R Howse & Associates Pty Ltd, and Leeder Consulting.
- The Company completed the placement of 37.5 million shares at an issue price of $0.16 per share on 30 September funds were applied to the acquisition of Trevor R Howse & Associates Pty Ltd and Leeder Consulting Pty Ltd.

Dividends (distributions)	Amount per security	Franked amount per security
Dividend Paid – Subsequent to 30 June 2009 *The company paid a dividend of $1.935 million in total on 22 September 2009 – the company operates a dividend re-investment plan. The issue price of shares under the dividend re-investment plan was set at 15.52 cent, being the volume weighted average market price for the company's shares on the ASX over the five trading days preceding the record date, rounded to the nearest whole cent, less a discount of 3%. Of the total dividend paid, $0.11million was paid through the issue of 712, 894 fully paid ordinary shares in the company under the dividend re-investment plan. The balance of dividend of $1.825million was paid in cash.*	$0.0075	fully franked
Dividend Paid – During year ending 30 June 2009 *The company declared and paid a dividend of $0.005 per share during the 2009 financial year, in November 2008. Under the dividend payment, the company utilised its dividend re-investment plan. The issue price of shares under the dividend re-investment plan was 17.85 cents per share. The issue price was determined based upon the volume weighted average market price for the company's shares on the ASX over the five trading days commencing on the ex-dividend date, rounded to the nearest whole cent, less a discount of 5%. The total dividend paid was $ 1.271 million. Of the total dividend paid, $ 0.105 million was paid through the issue of 588,510 fully paid ordinary shares in the company under the dividend reinvestment plan. The balance of $1.166 million was paid in the form of cash .*	$0.005	fully franked

- On 30 September, 2008 the Company completed the acquisitions of Trevor R Howse & Associates Pty Ltd, and Leeder Consulting Pty Ltd (refer note 27 for further details regarding consideration).
- On 12 May 2009, the Company through its wholly owned subsidiary Noel Arnold & Associates Pty Ltd, completed the purchase of the business of MC2 Pacific. (refer note 27 for further details regarding consideration).

Greencap continues to assess further acquisitions in the Risk Management area.

- The Company completed the disposal of 75% of its equity interest in Protex Healthcare (UK) Limited, being the wound dressing trading business of the discontinued operations. The disposal effectively ceases the Company's involvement with such business, with no further financial commitments to that business operation.

Shareholder returns

Below is a summary of the basic earnings per share reported in each of the last 4 years and an analysis of the profit / (loss) before tax incurred in those years:

The profit before tax for the 2009 financial year is the continued expansion of the company's strategy in developing the risk management services capability, through the continued development of existing businesses, and earnings contributions from newly acquired businesses during the 2009 financial year. A description of the business performance during the 2009 year is incorporated in the Operating and Financial Review.

The profit before tax for the 2008 financial year reflects the change in business of the group, and the introduction of acquired risk management businesses into the group.

The loss before tax and significant items in 2007 reflected the continued low sales performance from its healthcare product business, coupled with costs associated with downsizing the executive and operational aspects of the healthcare business. The Company also incurred closure costs relating to reducing the size of its corporate executive team. In addition, the Company made provision for the cessation of the healthcare businesses if it was unable to complete the disposal of that business.

The loss before tax and significant items in 2006 was largely due to the sales performance of the Company's healthcare segment being significantly lower than anticipated. In 2006 significant expenditure was incurred in developing the infrastructure of the healthcare division, particularly the recruitment of a sector specific sales and management team. In addition, the 2006 financial year included an impairment write-down of $10.458 million relating to the goodwill associated with the healthcare business. This treatment is in compliance with the international accounting standard AASB 136 "Impairment of Assets".

Refer to the Operating and Financial review on pages 4 to 14 of the Annual Report.

	2009	2008	2007	2006
Basic earnings / (loss) per share ($) *	$0.029	$0.025	($0.17)	($ 2.45)
	$000s	**$000s**	**$000s**	**$000s**
Net profit / (loss) before tax	6,838	3,859	(1,762)	(13,218)
Significant items included in profit / (loss) before tax:				
Write down of inventory to net realisable value	-	-	192	126
Impairment loss	-	-	-	10,458
Recoverable amount write down of other non current assets	-	-	2	9
Loss on disposal of discontinued operation	98	-	-	-
Total significant items	98	-	194	10,593
Net profit / (loss) before tax and significant items	6,936	3,859	(1,568)	(2,625)

* refer to Note 7 to the Financial Statements – Earnings per Share

Significant events after the balance date

Dividend Payment

The company paid a dividend of $0.0075 cents per share on 22 September 2009. The total dividend paid amounted to $1.935 million. The dividend was paid in the form of cash ($1.825 million), and through the issue of 712,894 new fully paid ordinary shares in Greencap Limited, under the Company's Dividend Reinvestment Plan, representing $0.110 million.

Emerson Stewart Limited

On 26 August 2009, the Company announced that it had entered into a Heads of Agreement (HOA) with Emerson Stewart Limited (ESL), to give effect to the merger of the two groups by a scheme of arrangement under the Corporations Act. The merger is conditional upon finalisation of due diligence (by 7/10/09) and execution of a formal implementation agreement (executed 22/9/09) , and will thereafter require shareholder and court approvals in accordance with the Corporations Act (anticipated by early December 2009).

The merger of the two groups is premised on the potential to create a significant national market presence in the risk management, environmental, project management and engineering and diagnostic sectors.

The merger (if it proceeds) is anticipated to create the opportunity to generate further revenues and value from the existing businesses by combining Greencap group's existing companies in diversified but complementary business areas, national footprint, strong revenue lines and institutional shareholder base, with Emerson Stewart's project management and engineering consultancy operations with strong WA focus. Should the merger be completed, it is anticipated to result in a company with an experienced board, strategic leadership capability and a strong balance sheet.

The Scheme of Arrangement is to be proposed by ESL on the basis that Greencap will acquire all of ESL's issued capital by issuing Greencap shares to ESL shareholders on a 1:1 basis (with any outstanding Emerson Stewart options being acquired or otherwise replaced on comparable terms to those existing options). Post merger the "new" Greencap shareholder base is expected to comprise approximately 28.5% existing Emerson Stewart shareholders and 71.5% existing Greencap shareholders.

The announcement noted that the board and senior executive management structure of the merged entity is intended to be four independent non-executive directors and three executive directors as follows:

CEO/Managing Director – Dario Amara (current Emerson Stewart CEO)
Executive Director - Finance and Corporate – Jeffrey Broun (current Greencap MD)
Executive Director – Cameron Hunter (current Greencap executive)
Non Executive Chairman – Steven Cole (current Emerson Stewart chairman)
Deputy Chairman – Stephen Belben (current Greencap chairman)
Non-Executive Directors – Andrew Gay (current Greencap NED) and David Richardson (current Emerson Stewart NED).
The Company will continue to advise the market of progress in relation to this merger.

Likely developments and expected results

Likely developments in the operations of the consolidated entity and the expected outlook for those operations are referred to in the Chairman and Managing Director's Letter and the Operating and Financial review.

Environmental regulation and performance

There have been no known significant breaches of any of the environmental conditions or regulations attached to the consolidated entity's businesses.

Share options

Un-issued Shares

As at the date of this report, the number of un-issued ordinary shares under option were as follows:

- 50,000 unlisted director options to take up ordinary shares in Greencap Limited at an exercise price of $4.00 per share. These unlisted options expire on 30 November 2009 and are currently exercisable.

Option holders do not have the right, by virtue of the option, to participate in any share issue of the Company. During or since the end of the financial year, no options have been exercised.

Shares issued as a result of the exercise of options

During the financial year no shareholders have exercised their options to acquire fully paid ordinary shares in Greencap Limited (2008 : no options were exercised).

Options lapsed

250,000 unlisted executive management options to take up ordinary shares in Greencap Limited at an exercise price of $4.00 per share lapsed during the financial year, (2008: nil). Subsequent to year end, no further unlisted executive management options lapsed.

Indemnification of directors and officers

Greencap Limited has indemnified all directors and officers in respect of any action taken against them, other than by the company or a related body corporate, in relation to the bona fide conduct of their duties provided any liability does not arise out of conduct involving a lack of good faith. The amount of the indemnity is unspecified.

During or since the financial year, the company has paid premiums in respect of a contract insuring all the directors of Greencap Limited against all legal costs incurred in defending proceedings for conduct involving:

(a) a wilful breach of duty; or

(b) a contravention of sections 182 or 183 of the Corporations Act 2001, as permitted by section 199B of the Corporations Act 2001.

The total amount of Directors and Officers insurance contract premiums incurred by the Company for the financial year was $30,923 (2008 : $ 28,946).

Remuneration report

This report outlines the remuneration arrangements in place for directors and executives of Greencap Limited.

Remuneration philosophy

The performance of the company depends upon the quality of its directors and executives. To enjoy success, the company must attract, motivate and retain highly skilled directors and executives. To this end, the company embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre executives;
- link executive rewards to shareholder value;
- have a portion of executive remuneration 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- establish appropriate, demanding performance hurdles in relation to variable executive remuneration.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors of the company is responsible for determining and reviewing compensation arrangements for the directors and specified senior management team members.

The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and those senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration structure

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

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain high calibre directors, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 30 November 2004 when shareholders approved an aggregate remuneration of $200,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors for the period ending 30 June 2009 is detailed on page 29 of this report.

Senior manager and executive director remuneration

Objective

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

- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the consolidated entity; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Nomination and Remuneration Committee consider the market levels of remuneration for comparable executive roles.

It is company policy that an employment contract is entered into with the Managing Director. Details of the contract that became effective on 19 July 2007 and which has been extended since that date are provided below.

Remuneration consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration
  - Short Term Incentive ('STI'); and
  - Long Term Incentive ('LTI').

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position, is competitive in the market, and reflects the current scale and position of the company.

Fixed remuneration is reviewed annually by the Nomination and Remuneration Committee.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company. The fixed remuneration component of the key management personnel is detailed on page 30.

Variable Remuneration — Short Term Incentive (STI)

Objective

The objective of the STI program is to link the achievement of the company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the company is reasonable in the circumstances. STI targets were set within each of the operating businesses within the group. STI remuneration was paid to managers within those operating businesses, based upon the achievement of established performance criteria with managers and executives of each operating business.

Structure

Actual STI payments granted to certain senior managers of operating subsidiary companies, and made in previous financial years, depend on the extent to which specific operating targets are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance.

STI payments available for executives across the consolidated entity are subject to the approval of either the subsidiary company board or the Greencap Nomination and Remuneration Committee. Payments made are usually delivered as a cash bonus, or as an issue of shares within the Company's Employee Share Trust.

Variable Remuneration — Long Term Incentive (LTI)

Objective

The objective of the LTI plan is to reward senior managers in a manner which aligns this element of remuneration with the creation of shareholder wealth.

As such LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the performance of the consolidated entity against the relevant long term performance hurdle.

Apart from the vesting of certain LTI based share allocations made in the last financial year, the Company has not committed to any new LTI based schemes for its senior management or executive directors. The board is cognisant of the desirability to develop a fair and equitable LTI scheme for its senior executives and such a plan will be formulated over CY2010.

Structure

The Company has established an Employee Share Trust following approval by shareholders in general meeting on 6 July 2007. The Employee Share Plan enables shares to be issued to the share plan trustee, or for the share plan trustee to acquire Company shares on market, for the benefit of nominated employees.

Formal performance hurdles for the long term incentive plan were not established for the year to 30 June 2009 (2008 : nil). Formal hurdles will be related to the share price of Greencap Limited and accordingly align shareholder value and reward for executives. On 6 July 2007 the company received shareholder approval to establish a new Employee Share Trust, and Employee Option Plan. These two schemes will be utilised primarily for providing LTI remuneration to executives. In additions, the schemes can be used to remunerate other staff within the company, as the directors consider appropriate.

The Nomination & Remuneration Committee is responsible for establishing appropriate KPI's and compensation structures utilising these schemes, so that executive rewards are aligned with shareholder value.

Employment contracts

Mr Broun entered into an Executive Services Agreement with the Company which came into effect on 19 July 2007. Prior to that date, Mr Broun provided services to the Company under a consulting arrangement. The principal terms of the executive service agreement are as follows:

- the contract is for a two year term.
- Mr Broun may resign from his position as Managing Director and thus terminate this agreement by giving the Company 3 months notice in writing.
- the company may terminate this employment agreement without reason by providing 3 months notice in writing and making a payment of 9 months salary after the expiry of the 3 months written notice period. If the Company elects to pay the Executive the equivalent of the 3 months Salary and dispense with the notice period, the total payment inclusive of the 3 months notice period will be the equivalent of 12 months Salary.
- the Company may at its sole discretion terminate the employment in the following manner:
  - by giving not less than 3 months written notice if at any time should the executive be incapacitated and unable to perform his duties;
  - by giving one month written notice if at any time the executive fails to perform to the terms of his agreement; or
  - summarily without notice if the executive is convicted with any major criminal offence which brings the Company or any of its Related Bodies Corporate into lasting disrepute, by giving notice effective immediately and without payment of any salary other than salary accrued to the date of termination.
- during the financial year ending 30 June 2009 the Company formally extended the Executive Services Agreement with Mr Broun for a further two years from the date of the initial term expiry, being 18 July 2009.

The maximum cost to the Company should Mr Broun's employment be terminated, is $189,660.

Mr Slater entered into an Executive Services Agreement with the Company which came into effect on 19 July 2007. Prior to that date, Mr Slater provided services to the Company under a consulting arrangement. The principal terms of the executive service agreement are as follows:

- the contract is for a two year term
- Mr Slater may resign from his position as a Director or employee and thus terminate this agreement by giving the Company 3 months notice in writing.
- the company may terminate this employment agreement without reason by providing 3 months notice in writing and making a payment of 9 months salary after the expiry of the 3 months written notice period. If the Company elects to pay the Executive the equivalent of the 3 months Salary and dispense with the notice period, the total payment inclusive of the 3 months notice period will be the equivalent of 12 months Salary.
- the Company may at its sole discretion terminate the employment in the following manner:
  - by giving not less than 3 months written notice if at any time should the executive be incapacitated and unable to perform his duties;
  - by giving one month written notice if at any time the executive fails to perform to the terms of his agreement; or
  - summarily without notice if the executive is convicted with any major criminal offence which brings the Company or any of its Related Bodies Corporate into lasting disrepute, by giving notice effective immediately and without payment of any salary other than salary accrued to the date of termination.
- during the financial year ending 30 June 2009 the Company formally extended the Executive Services Agreement with Mr Slater for a further two years from the date of the initial term expiry, being 18 July 2009.
- Mr Slater resigned as a director of the Company with effect from 10 June 2009. He continues in the role of Chief Financial Officer of the Company.

The maximum cost to the Company should Mr Slater's employment be terminated, is $174,400.

Details of Remuneration

Details of the remuneration of the directors, the key management personnel of the Group, and the specified executives of the Greencap Limited group are set out in the following tables. The key management personnel of Greencap Limited and the Group include the directors.

Director remuneration for the year ended 30 June 2009

	Short Term benefits			Post employment	Equity		
	Base fee and salary	Bonus	Other	Super	Value of equity granted	Total	% performance related
	$000s	$000s	$000s	$000s	$000s	$000s	
Executive Directors							
J Broun	165	50	4	15	-	234	21.4%
S Bird	266	-	-	24	-	290	-
A Meerman (resigned 15 September 2009)	213	252	35	94	-	594	42.4%
N Arnold (executive to 31 December 2008)	86	18	15	8	-	127	14.2%
M Slater (resigned 10 June 2009)	153	30	-	14	-	197	15.2%
Non executive Directors							
S. Belben	36	-	-	-	-	36	-
A. Gay	60	-	-	-	-	60	-
N Arnold (non executive from 1 January 2009 resigned 24 Sept 2009)	18	-	-	-	-	18	-
J. Priest (appointed 10 June 2009 – resigned 8 July 2009)	4	-	-	-	-	4	-
TOTAL	1,001	350	54	155	-	1,560	22.4%

Director remuneration for the year ended 30 June 2008

	Short Term benefits			Post employment	Equity		
	Base fee and salary	Bonus	Other	Super	Value of equity granted	Total	% performance related
	$000s	$000s	$000s	$000s	$000s	$000s	
Executive Directors							
N Arnold (appointed 6 July 2007)	165	37	30	15	-	247	14.9%
S Bird (appointed 6 July 2007)	233	63	-	21	-	317	19.9%
J Broun	113	-	-	10	-	123	-
A Meerman (appointed 6 July 2007)	196	148	31	98	-	473	31.2%
M Slater	108	-	-	9	-	117	-
Non executive Directors							
A. Gay	34	-	-	-	-	34	-
S. Belben	39	-	-	-	-	39	-
TOTAL	888	248	61	153	-	1,350	18.3%

The board of directors have determined that, other than the directors of Greencap Limited, the Key Management Personnel within the Company are the business heads of each of the individual subsidiary businesses. These Key Management Personnel have primary responsibility for the strategic direction of each subsidiary business, as well as contributing to group matters as part of the group executive committee.

Remuneration of the named key management personnel for the year ended 30 June 2009

	Short Tem benefits			Post employment	Equity		
	Base fee and salary	Bonus	Other	Super	Value of equity granted	Total	% performance related
	$000	$000	$000	$000	$000	$000	
W Dettmann	190	-	-	17	-	207	-
W Haylock	185	-	10	29	-	224	-
H Howse (9 months)	94	-	-	8	-	102	-
J Leeder (9 months)	79	-	12	38	-	129	-
J Todd (10.5 months)	76	24	-	84	-	184	13.0%
TOTAL	624	24	22	176	-	846	2.8%

Remuneration of the named key management personnel for the year ended 30 June 2008

	Short Tem benefits			Post employment	Equity		
	Base fee and salary	Bonus	Other	Super	Value of equity granted	Total	% performance related
	$000	$000	$000	$000	$000	$000	
P Addison	154	75	21	14	-	264	28.4%
M Thompson	129	62	-	12	-	203	30.5%
G Harradine	182	127	-	16	-	325	39.0%
C Hunter	186	321	21	17	-	545	58.9%
W Meszaros	153	113	30	14	-	310	36.4%
TOTAL	804	698	72	73	-	1,647	42.4%

Options granted as part of remuneration for the year ended 30 June 2009

No options were issued during the 2009 financial year (2008 : nil).

Details of option on issue at 30 June 2009 are set out below.

	Grant date	Grant Number	Value per option at grant date #	Options held as at 30 June 2008	Lapsed during year to 30 June 2009	Options held as at 30 June 2009	Value per option at exercise date	Value at date options lapsed
A. Gay (1)	30 Nov 04	25,000	$0.093	25,000	-	25,000	n/a	n/a
B. Donovan (2)	30 Nov 04	25,000	$0.093	25,000	-	25,000	n/a	n/a
S. Belben (3)	7 Jul 04	100,000	$0.0998	100,000	(100,000)	-	n/a	n/a
G. Cameron-Dow (4)	7 Jul 04	75,000	$0.0998	75,000	(75,000)	-	n/a	n/a
P. O'Connor (5)	7 Jul 04	75,000	$0.0998	75,000	(75,000)	-	n/a	n/a
TOTAL		300,000		300,000	(250,000)	50,000		

Options granted have been valued using a binomial pricing model which takes into account the option exercise price, the current level and volatility of the underlying share price, the risk free interest rate, expected dividends on the underlying shares, current market price of the underlying share and the expected life of the option.

1. The 25,000 options granted to A Gay vested as follows:
   - 10,000 options exercisable at $4.00 on their date of issue; and
   - 15,000 options exercisable at $4.00 on that date which is 12 months from the date of appointment as a director (i.e. 7 October 2005).

2. The 25,000 options granted to B Donovan vested as follows:
   - 10,000 options exercisable at $4.00on their date of issue; and
   - 15,000 options exercisable at $4.00 on that date which is 12 months from the date of appointment as a director (i.e. 16 August 2005).

3. The 100,000 options granted to S Belben vested as follows:
   - 50,000 options exercisable at $4.00 on their date of issue; and
   - 50,000 options exercisable at $4.00 on 4 August 2005.

   These options expired 30 June 2009

4. The 75,000 options granted to G Cameron-Dow vested as follows:
   - 37,500 options exercisable at $4.00on their date of issue; and
   - 37,500 options exercisable at $4.00 on 4 August 2005.

   These options expired 30 June 2009

5. The 75,000 options granted to P O'Connor vested as follows:
   - 37,500 options exercisable at $4.00 on their date of issue; and
   - 37,500 options exercisable at $4.00 on 4 August 2005.

   These options expired 30 June 2009

Fair values of options granted in the Equity Based Compensation Scheme

The fair value of each option issued up to 30 June 2006 is estimated on the date of grant using a binomial option-pricing model. The following weighted average assumptions were used for grants made in July 2004, November 2004, March 2005 and July 2005:

	July 2005	March 2005	November 2004	July 2004
Expected volatility	64%	63.39%	63.05%	63.39%
Historical volatility	64%	63.39%	63.05%	63.39%
Risk-free interest rate	5.22%	5.58%	5.07%	5.58%
Time to Maturity	5 years	3 years	3 years	3.5 years
Option Exercise Price	$0.20	$0.20	$0.20	$0.20
Current Stock Price	$0.10	$0.16	$0.20	$0.20

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which also may not necessarily be the actual outcome.

Directors' meetings

The number of meetings of Directors (including meetings of committees of directors) held during the year, and the number of meetings attended by each director were as follows:

	Directors Meetings	Finance & Audit	Nomination & Remuneration	Mergers & Acquisitions	Corporate Governance
Number of Meetings held:	**13**	**4**	**2**	**7**	**2**
Number of Meetings attended:					
S Belben	13	3	1	n/a	n/a
J Broun	13	4	n/a	7	2
N Arnold (resigned 24 September 2009)	13	n/a	2	7	n/a
S Bird	13	n/a	n/a	7	n/a
A Gay	13	n/a	2	n/a	2
A Meerman (resigned 15 September 2009)	11	n/a	n/a	6	n/a
M Slater (resigned 10 June 2009)	13	4	n/a	6	2
J Priest (appointed 10 June 2009 – resigned 8 July 2009)	n/a	n/a	n/a	n/a	n/a

As at the date of this report, the company had four Committees of the Board of Directors as detailed below. The current members of these committees are:

Nomination and Remuneration Committee
Stephen Belben
Andrew Gay

Finance & Audit Committee
Stephen Belben
Jeffrey Broun
Michael Slater
Mark Thompson
Hugh Lennerts

Governance Committee
Andrew Gay
Jeffrey Broun
Michael Slater

Mergers & Acquisitions Committee
Stephen Belben
Jeffrey Broun
Scott Bird
Michael Slater

Tax consolidation

Effective 1 July 2002, for the purposes of income taxation, Greencap Limited and its 100% owned subsidiaries have formed a tax consolidated group.

Corporate governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Greencap Limited support and have adhered to the principles of corporate governance. The company's corporate governance statement is contained in the Corporate Governance section of this Annual Report.

Auditors independence declaration

Section 307C of the Corporations Act 2001 requires our auditors, Moore Stephens, to provide the directors of Greencap Limited with an Independence Declaration in relation to the audit of the financial report for the year ended 30 June 2009. This Independence Declaration is attached to the Directors' Report.

Non audit services

The Board of Directors, in accordance with advice from the Finance & Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons;

- non audit services are reviewed on a continuous basis by the Managing Director and Chief Financial Officer prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided did not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following non-audit services were either provided by the entity's auditor, Moore Stephens during the year ended 30 June 2009, or provided by them in the prior financial year and invoiced and paid during the 2009 financial year:

Moore Stephens Perth received or are due to receive the following amounts for the provision of non-audit services:

	$ 000
Tax compliance services:	65

Moore Stephens associate offices received $15,000 in respect of due diligence investigations they undertook for the Company during the year.

Rounding of amounts

The Company is an entity to which ASIC Class Order 98/100 applies, and accordingly, amounts in the financial statements and directors report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors.

Jeffrey C Broun FCA
Managing Director
Place: Perth, WA
Date: 29 September 2009

MOORE STEPHENS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GREENCAP LIMITED

I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2009, there have been:

(a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Pace

NEIL PACE
PARTNER

Moore Stephens

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 29th day of September 2009.

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Income Statement

For the Year ended 30 June 2009

	Note	CONSOLIDATED 2009 $000s	CONSOLIDATED 2008 $000s	GREENCAP LIMITED 2009 $000s	GREENCAP LIMITED 2008 $000s
Continuing operations					
Revenue	4	**60,301**	38,984	**1,243**	855
Other income	4	**57**	11	**-**	-
Direct project external expenses		**(12,641)**	(5,966)	**-**	-
Employee benefits expense		**(30,259)**	(22,070)	**(638)**	(394)
Occupancy expense		**(2,131)**	(1,239)	**(28)**	(11)
Depreciation		**(625)**	(348)	**(1)**	(1)
Other expenses from continuing operations		**(5,116)**	(3,338)	**(576)**	(453)
Profit / (Loss) from continuing operations before tax and finance costs		**9,586**	6,034	**-**	(4)
Finance costs		**(1,094)**	(581)	**(1,013)**	(501)
Profit / (Loss) before income tax		**8,492**	5,453	**(1,013)**	(505)
Income tax (expense) / credit	5	**(1,556)**	(1,594)	**1,310**	151
Profit / (Loss) after tax from continuing operations		**6,936**	3,859	**297**	(354)
Discontinued operation					
(Loss) after tax from disposal of discontinued operation	6	**(98)**	-	**10**	-
Net Profit / (loss) attributable to members of Greencap Limited	20	**6,838**	3,859	**307**	(354)
Earnings per share - dollars per share	7				
- basic for profit for the year		**$0.0288**	$0.025		
- basic for profit from continuing operations		**$0.0292**	$0.025		
- diluted for profit for the year		**$0.0288**	$0.025		
- diluted for profit from continuing operations		**$0.0292**	$0.025		
- dividends declared per share		**$0.0075**	$0.005		

Balance Sheet

as at 30 June 2009

	Note	CONSOLIDATED		GREENCAP LIMITED	
		2009 $ 000s	2008 $ 000s	**2009 $000s**	2008 $000s
ASSETS					
Current Assets					
Cash and cash equivalents	8	**3,787**	4,723	**603**	658
Trade and other receivables	9	**12,439**	10,244	**158**	-
Other current assets	10	**1,034**	514	**1,339**	144
		17,260	15,481	**2,100**	802
Assets classified as held for sale	6	**-**	225	**-**	-
Total Current Assets		**17,260**	15,706	**2,100**	802
Non Current Assets					
Other financial assets	11	**-**	-	**59,768**	37,455
Plant and equipment	12	**2,582**	966	**1**	-
Intangible Assets	13	**61,384**	37,439	**-**	-
Trade and other receivables	9	**-**	-	**1,238**	1,236
Other non current assets	10	**1,276**	1,030	**558**	516
Total Non Current Assets		**65,242**	39,435	**61,565**	39,207
TOTAL ASSETS		**82,502**	55,141	**63,665**	40,009
LIABILITIES					
Current Liabilities					
Trade and other payables	16	**6,524**	7,754	**538**	1,822
Provisions	17	**4,338**	1,689	**5**	-
Other current liabilities	18	**974**	2,967	**-**	-
Interest bearing liabilities	19	**2,510**	2,852	**2,160**	2,754
		14,346	15,262	**2,703**	4,576
Liabilities associated with assets classified as held for sale	6	**-**	477	**-**	329
Total Current Liabilities		**14,346**	15,739	**2,703**	4,905
Non Current Liabilities					
Trade and other payables	16	**30**	-	**1,989**	-
Other non current liabilities	18	**143**	-	**-**	-
Interest bearing liabilities	19	**12,997**	5,527	**12,400**	5,414
Total Non Current Liabilities		**13,170**	5,527	**14,389**	5,414
TOTAL LIABILITIES		**27,516**	21,266	**17,092**	10,319
NET ASSETS		**54,986**	33,875	**46,573**	29,690
EQUITY					
Issued Capital	20	**45,279**	29,761	**45,279**	29,761
Employee Equity Benefits Reserve	20	**622**	622	**622**	622
Accumulated Losses	20	**9,085**	3,518	**672**	(693)
Foreign Currency Translation Reserve	20	**-**	(26)	**-**	-
TOTAL EQUITY		**54,986**	33,875	**46,573**	29,690

Statement of Cash Flows

For the Year ended 30 June 2009

	Note	CONSOLIDATED		GREENCAP LIMITED	
		2009 $000s	2008 $000s	**2009 $000s**	2008 $000s
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**65,090**	41,204	**1,609**	885
Payments to suppliers and employees		**(51,966)**	(32,340)	**(1,690)**	(675)
Interest and bill discounts received		**166**	168	**49**	50
Borrowing costs (paid)		**(1,175)**	(515)	**(1,075)**	(476)
Income taxes (paid) / refunded		**(2,688)**	(1,603)	**(126)**	192
Goods and services tax (paid)		**(4,072)**	(2,596)	**(148)**	(28)
Net cash from / (used in) operating activities	8	**5,355**	4,318	**(1,381)**	(52)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Controlled Entities and associated costs		**(13,193)**	(21,752)	**(13,193)**	(21,752)
Purchase of plant and equipment		**(1,980)**	(583)	**(2)**	-
(Loans to)/repayments from controlled entities		**-**	-	**5,191**	681
Payments associated with disposal of discontinued activity		**(257)**	-	**(301)**	-
Other		**3**	185	**-**	(1)
Net cash (used in) investing activities		**(15,427)**	(22,150)	**(8,305)**	(21,072)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of ordinary shares		**7,200**	15,308	**7,200**	15,308
Payment of share issue and debt raising costs		**(620)**	(1,186)	**(620)**	(1,186)
Proceeds from borrowings		**9,787**	7,163	**8,650**	7,005
(Repayment)of borrowings		**(4,775)**	(247)	**(4,418)**	(217)
Payment of dividend		**(1,166)**	-	**(1,166)**	-
Payment of loan entitlements to vendors of acquired entities		**(1,562)**	(3,461)	**-**	-
On market buy back of non-marketable share parcels		**(15)**	-	**(15)**	-
Net cash from financing activities		**8,849**	17,577	**9,631**	20,910
Net (decrease) in cash and cash equivalents		**(1,223)**	(255)	**(55)**	(214)
Cash and cash equivalents at the beginning of the financial year		**4,752**	947	**658**	872
Foreign exchange rate adjustments		**(5)**	(5)	**-**	-
Cash acquired on acquisition of controlled entities		**263**	4,065	**-**	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	**3,787**	4,752	**603**	658

Condensed statement of changes in equity

For the Year ended 30 June 2009

	Attributable to Equity Holders of the Parent				
Consolidated	**Issued Capital $ 000s**	**Option Premium Reserve $ 000s**	**Accum. Profit $ 000s**	**Other Reserves $ 000s**	**Total $ 000s**
At 1 July 2008	**29,761**	**622**	**3,518**	**(26)**	**33,875**
Profit for the period	**-**	**-**	**6,838**	**-**	**6,838**
Capital raising completed	**7,200**	**-**	**-**	**-**	**7,200**
Shares issued to vendors of acquired businesses	**8,442**	**-**	**-**	**-**	**8,442**
Share issue costs	**(364)**	**-**	**-**	**-**	**(364)**
Dividend Reinvestment Plan	**105**	**-**	**-**	**-**	**105**
Shares issued to Employee Share Trustee	**150**	**-**	**-**	**-**	**150**
Dividend paid	**-**	**-**	**(1,271)**	**-**	**(1,271)**
Currency translation differences	**-**	**-**	**-**	**26**	**26**
Reduction of Share Capital	**(15)**	**-**	**-**	**-**	**(15)**
At 30 June 2009	**45,279**	**622**	**9,085**	**-**	**54,986**

Parent	**Issued Capital $000s**	**Option Premium Reserve $000s**	**Accum. Profits /(Losses) $000s**	**Total $000s**
At 1 July 2008	**29,761**	**622**	**(693)**	**29,690**
Profit for the period	**-**	**-**	**307**	**307**
Capital raising completed	**7,200**	**-**	**-**	**7,200**
Shares issued as consideration to vendors of acquired entities	**8,442**	**-**	**-**	**8,442**
Share issue costs	**(364)**	**-**	**-**	**(364)**
Value of shares issued to Employee Share Trust	**150**	**-**	**-**	**150**
Value of shares issued under Dividend Reinvestment Plan	**105**	**-**	**-**	**105**
External dividend paid	**-**	**-**	**(1,271)**	**(1,271)**
Dividend received from subsidiary entities	**-**	**-**	**2,415**	**2,415**
Reduction of Share Capital	**(15)**	**-**	**-**	**(15)**
FY 2008 consolidation adjustment booked to parent entity	**-**	**-**	**(86)**	**(86)**
At 30 June 2009	**45,279**	**622**	**672**	**46,573**

Condensed statement of changes in equity

For the Year ended 30 June 2008

Consolidated	Issued Capital $000s	Option Premium Reserve $000s	Accum. Losses $000s	Other Reserves $000s	Total $000s
	Attributable to Equity Holders of the Parent				
At 1 July 2007	15,193	622	(15,300)	3	518
Profit for the period	-	-	3,859	-	3,859
Capital raising completed	15,308	-	-	-	15,308
Shares issued as consideration to vendors of acquired entities	14,882	-	-	-	14,882
Share issue costs	(724)	-	-	-	(724)
Currency translation differences	-	-	-	(29)	(29)
Value of share based payments	61	-	-	-	61
Reduction of Share Capital	(14,959)	-	14,959	-	-
At 30 June 2008	29,761	622	3,518	(26)	33,875

Parent	Issued Capital $000s	Option Premium Reserve $000s	Accum. Losses $000s	Total $000s
At 1 July 2007	15,193	622	(14,959)	856
Loss for the period	-	-	(354)	(354)
Capital raising completed	15,308	-	-	15,308
Shares issued as consideration to vendors of acquired entities	14,882	-	-	14,882
Share issue costs	(724)	-	-	(724)
Value of share based payments	61	-	-	61
Reduction of Share Capital	(14,959)	-	14,959	-
FY2007 consolidation provision booked to parent entity	-	-	(339)	(339)
At 30 June 2008	29,761	622	(693)	29,690

Notes to the Financial Statements

For the Year ended 30 June 2009

NOTE 1: CORPORATE INFORMATION

The financial report of Greencap Limited for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 29 September 2009.

Greencap Limited is a company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the consolidated entity are described in note 3 (Segment note).

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. Other mandatory professional reporting requirements (Australian Accounting Interpretations) have also been complied with.

The financial report has also been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars.

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

New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:
  - acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
  - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
  - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
  - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Group's policy);
  - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
  - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
  - where there is, in substance, no change to Group interests, parent entities inserted above existing groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.
- The Group will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.
- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB

5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.

- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

- AASB 2008-2: Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.

- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

- AASB 2008-8: Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Group.

- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners to be measured at the lower of carrying value and fair value less costs to distribute.

- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118. Management does not believe that this will represent a change of policy to the Group.

- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the Group.
- AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Greencap Limited (the parent entity) and its subsidiaries as at 30 June each year (the consolidated entity). A list of controlled entities is contained in Note 26 to the financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and cease to be consolidated from the date on which control is transferred out of the consolidated entity.

Acquisitions of subsidiaries are accounted for using the purchase method of accounting. Where there is loss of control of a subsidiary the consolidated financial statements include the results for the part of the reporting period during which the parent entity had control.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services
Revenue from the rendering of services is recognised by reference to the stage of completion.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Funds received in advance of the delivery of services are classified as deferred income and reported within current liabilities.

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

Interest
Revenue is recognised as the interest accrues.

Dividends
Revenue is recognised when the shareholders' right to receive the payment is established.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the consolidated entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other receivables

Trade receivables, which generally have 30 – 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the consolidated entity will not be able to collect the debts. Bad debts are written-off when identified.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, including stores and consumables – purchase cost on a first-in-first-out or weighted average basis;

Work in progress – direct costs; and

Finished goods – cost of direct material and labour and an appropriate proportion of fixed and variable overheads based on normal capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Foreign currency translation

Both the functional and presentation currency of Greencap Limited and its Australian subsidiaries is Australian dollars. Each entity in the consolidated entity determines its own functional currency and items included in the financial statement of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to the income statement with the exception of differences in foreign currency borrowings that relate to a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the disposed overseas subsidiary, Protex Healthcare (UK) Ltd, was British Pounds.

As at the prior year reporting date being 30 June 2008, the assets and liabilities of this overseas entity were translated into the presentation currency of Greencap Limited at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the year. At the reporting date 30 June 2009, the company did not include any assets and liabilities of this overseas entity since it had disposed of its controlling interest in the overseas entity in January 2009.

The exchange differences arising on the translation during the financial year have been taken directly to the income statement.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised as profit or loss.

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and reduced to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided, on either a straight line or diminishing value basis, on all property, plant and equipment as follows:

Leased plant and equipment	the lease term
Plant and equipment	3 to 15 years
Leasehold improvements	the lease term

The assets' residual values, useful lives and depreciation methods are review and adjusted, if appropriate, at each financial year end.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable being estimated when events or changes in circumstances indicate the carrying value may not be recoverable.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash generating units exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount.

Impairment losses are recognised in the income statement.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Investments and other financial assets

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Investments are classified as held for trading or available-for-sale except for investments which are intended to be held for an undefined period.

After initial recognition, investments are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Australian Securities Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the consolidated entity's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Each unit or group of units to which goodwill is allocated:

- represents the lowest level within the consolidated entity at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the consolidated entity's primary or the consolidated entity's secondary reporting format determined in accordance with AASB 114 "Segment Reporting"

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

Intangible assets

Intangible assets acquired separately are capitalised at cost and those acquired through a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which it is incurred.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

Changes in the expected useful life are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the income statement and is included in the "other expenses" line item.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful lives are reviewed at each reporting date to determine whether an indefinite life assessment continues to be supportable. If not, the change in the useful life from indefinite to finite is accounted for as a change in accounting estimate and is thus accounted for on a prospective basis.

Research and development costs

Research and development costs are expensed as incurred.

A summary of the policies applied to the consolidated entity's intangible assets is as follows:

	Patents and trademarks
Useful lives	10-15 years
Method used	Amortised over useful lives
Internally generated/acquired	Acquired
Impairment testing	Amortisation method reviewed annually; reviewed annually for indicator of impairment

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Impairment of assets

At each reporting date, assessments are made whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are not discounted to their present value.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the assets is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

Trade and other payables

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the Consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services.

Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where some or all of a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee leave benefits

Wages, salaries, annual leave and sick leave
Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave
The liability for long service leave is measured as the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Equity Settled compensation

The Company operates equity settled share based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is to be ascertained using a Black-Scholes pricing model which incorporates all appropriate market vesting conditions. The Company invites all group employees to participate in share participation, through the Company's Employee Share Trust. A parcel of 10,000 Company shares held through a share unit is offered to all employees, and the purchase of the share units being matched by a non-recourse loan between the employee and the share plan trustee. The nature of these shares is similar to an option, hence the loan made, and the share capital issued under these schemes are not recognised in the accounts. Accordingly, shares issued in this manner are valued using the Black-Scholes model. The number of shares and options expected to vest is reviewed and adjusted at each reporting date, such that that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where shares are granted to employees as part of standard remuneration compensation, the full cost of the remuneration is taken as a cost to profit and loss account. Such share compensation may be in the form of newly issued shares, or from shares purchased on-market by the Trustee of the Company Employee Share Trust.

Contributed equity

Ordinary shares are classified as equity. Incremental costs arising on the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds received.

Earnings per share

Basic EPS is calculated as net profit /(loss) attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. The weighted average number of shares used in the calculation is adjusted to reflect the consolidation of share capital undertaken subsequent to the year end.

Diluted EPS is calculated as net profit /(loss) attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Critical accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of certain assets and liabilities within the annual reporting period are:

Impairment of goodwill and intangibles

The consolidated entity determines whether goodwill with indefinite useful life is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill has been allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill are set out in note 14.

Goodwill in respect of the risk management service businesses acquired during the current financial year was assessed in respect of each acquired business, and cash generating unit. No impairment to the carrying values of goodwill in respect of these cash generating units was identified.

Intangibles with definite lives are reviewed for impairment when an impairment in its carrying value is indicated.

Comparative Figures

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

Rounding of Amounts

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

NOTE 3. SEGMENT INFORMATION

During the year the consolidated entity's operating companies were organised and managed separately according to the nature of the products and services they provided, with each segment offering different products and serving different markets.

The Company acquired a number of businesses during the year ended 30 June 2009, being in the risk management service sector. These acquisitions were in line with the Company's business strategy implemented by the Company in 2007.

The consolidated entity's healthcare operations were previously classified as a healthcare segment. In July 2006, the Board of Directors made a decision to preserve the capital of the consolidated entity and to downsize its corporate executive team and the healthcare operations in the UK and in Australia.

The segment information for the year ended 30 June 2009 and 30 June 2008 each report the risk management businesses as continuing operations, and the healthcare operations as discontinued operations and the "other" segment includes revenues and expenses associated with the activities of Greencap Limited and other revenues and expenses associated with general head office activities

Geographically, the consolidated entity operated in two segments, being Australia and the United Kingdom. The risk management businesses, and head office activities of the consolidated entity take place exclusively in Australia. The advanced wound care products business used to operate in the United Kingdom.

There are no inter-segment sales. Revenues are attributed to geographic areas based on the location of the assets producing the revenues.

The following table shows revenue and profit information and certain asset and liability information regarding the business segments for the years ended 30 June 2009 and 30 June 2008:

Year ending 30 June 2009	Continuing Operations Risk Management $000s	Continuing Operations Corporate $000s	Continuing Operations Total $000s	Discontinued $000s	TOTAL $000s
Revenue					
Sales to external customers	60,143	-	60,143	-	**60,143**
Other revenues from external customers	57	-	57	-	**57**
Interest revenue	109	49	158	-	**158**
Total segment revenue	60,309	49	60,358	-	
Total consolidated revenue					**60,358**
Result					
Segment result before finance costs	9,586	-	9,586	-	**9,586**
Finance costs	(81)	(1,013)	(1,094)	-	**(1,094)**
Profit before income tax	9,505	(1,013)	8,492	-	**8,492**
Income tax expense					**(1,556)**
Consolidated profit from ordinary activities after income tax					**6,936**
Loss on disposal of discontinued operation				(98)	**(98)**
Net Profit					**6,838**
Assets					
Segment assets	79,849	2,653	82,502	-	
Total assets					**82,502**
Liabilities					
Segment liabilities	26,227	1,289	27,516	-	
Total liabilities					**27,516**
Other segment information					
Capital expenditure	1,978	2	1,980	-	**1,980**
Depreciation	624	1	625	-	**625**
Share based payments	150	-	150	-	**150**
Other non cash expenses	774	1	775	-	**775**

	Risk Management $000s	Corporate $000s	Total Continuing $000s	Discontinued $000s	TOTAL $000s
Cash flow information					
Net cash flow from/(used in) operating activities	6,808	(1,381)	5,427	(72)	**5,355**
Net cash flow from/(used in) investing activities	(7,167)	(8,305)	(15,472)	45	**(15,427)**
Net cash flow from/(used in) financing activities	(782)	9,631	8,849	-	**8,849**

NOTE 3. SEGMENT INFORMATION (continued)

Primary Reporting – Business Segments

	Continuing Operations			Discontinued	TOTAL
Year ending 30 June 2008	**Risk Management $000s**	**Corporate $000s**	**Total $000s**	**$000s**	**$000s**
Revenue					
Sales to external customers	38,821	-	38,821	-	38,821
Other revenues from external customers	11	-	11	-	11
Interest revenue	113	50	163	-	163
Total segment revenue	38,945	50	38,995	-	
Total consolidated revenue					38,995
Result					
Segment result before finance costs	6,055	(21)	6,034	-	6,034
Finance costs	(80)	(501)	(581)	-	(581)
Profit before income tax	5,975	(522)	5,453	-	5,453
Income tax expense					(1,594)
Consolidated profit from ordinary activities after income tax					3,859
Net Profit					3,859
Assets					
Segment assets	52,346	2,570	54,916	225	
Total assets					55,141
Liabilities					
Segment liabilities	18,868	1,921	20,789	477	
Total liabilities					21,266
Other segment information					
Capital expenditure	583	-	583	-	583
Depreciation	347	1	348	-	348
Share based payments	-	61	61	-	61
Other non cash expenses	347	62	409	-	409

	Risk Management $000s	Corporate $000s	Total Continuing $000s	Discontinued $000s	TOTAL $000s
Cash flow information					
Net cash flow from/(used in) operating activities	4,484	(52)	4,432	(114)	4,318
Net cash flow from/(used in) investing activities	(1,151)	(21,072)	(22,223)	73	(22,150)
Net cash flow from/(used in) financing activities	(3,333)	20,910	17,577	-	17,577

Secondary Reporting - Geographical Segments

All trading activity reflected in the Company's Income Statement for the financial year ending 30 June 2009, and 30 June 2008, was undertaken in Australia

NOTE 4: INCOME AND EXPENSES

	CONSOLIDATED		GREENCAP LIMITED	
	2009 $000s	2008 $000s	**2009 $000s**	2008 $000s
Revenue				
Professional fees charged	**50,739**	33,627	**-**	-
Project costs recharged	**9,404**	5,194	**-**	-
Interest received	**158**	163	**49**	50
Management fees	**-**	-	**1,194**	805
	60,301	38,984	**1,243**	855
Other income				
Other income	**57**	11	**-**	-
	57	11	**-**	-

NOTE 5: INCOME TAX

	CONSOLIDATED		GREENCAP LIMITED	
	2009 $000s	2008 $000s	**2009 $000s**	2008 $000s
Major components of income tax expense for the years ended 30 June 2009 and 2008 are:				
Income Statement				
Current income tax				
Current income tax charge / (credit)	**2,420**	1,722	**(456)**	(123)
Adjustments in respect of current income tax of previous years	**(970)**	(43)	**(992)**	-
Deferred income tax				
Relating to origination and reversal of temporary differences	**112**	(85)	**154**	(28)
Adjustments in respect of current income tax of previous years	**(6)**	-	**(16)**	-
Income tax expense / (credit) reported in income statement	**1,556**	1,594	**(1,310)**	(151)
Statement of changes in equity				
Current income tax	**-**	-	**-**	-
Deferred income tax	**(156)**	(403)	**(156)**	(403)
Income tax (credit) reported in equity	**(156)**	(403)	**(156)**	(403)
A reconciliation of income tax expense applicable to accounting profit / (loss) before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 30 June 2009 and 2008 is as follows:				
Accounting profit / (loss) before tax from continuing operations	**8,492**	5,453	**(1,013)**	(505)
Accounting profit/(loss) before tax from discontinuing operations	**-**	-	**-**	-
Accounting profit / (loss) before tax	**8,492**	5,453	**(1,013)**	(505)
Prima facie income tax expense/(benefit) on accounting loss at 30%	**2,548**	1,636	**(304)**	(151)
Tax effect of amounts not deductible / (assessable) in calculating taxable income:				
Unrealised foreign exchange loss/(gains)	**-**	(9)	**-**	-
Other non assessable items	**(69)**	(8)	**(69)**	2
Other non allowable items	**66**	-	**1**	-
Share based payments	**40**	18	**40**	18
Provision for non recovery of loans to controlled entities	**-**	-	**14**	23
Prior period adjustments, including losses recouped	**(970)**	(43)	**(992)**	(43)
Investment allowance	**(59)**	-	**-**	-
Income tax expense reported in income statement	**1,556**	1,594	**(1,310)**	(151)
Income tax expense / (credit) attributable to discontinuing operations	**-**	-	**-**	-
	1,556	1,594	**(1,310)**	(151)
Tax assets and liabilities				
Current tax receivable	**248**	-	**248**	45
Current tax payable	-	(1,019)	**-**	-

Tax consolidation

Effective 1 July 2002, for the purposes of income taxation, Greencap Limited and its 100% owned subsidiaries have formed a tax consolidated group. The group has applied the Stand Alone Taxpayer approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group.

NOTE 6: DISCONTINUED OPERATIONS

	CONSOLIDATED	
	30 June 2009 Healthcare $ 000s	30 June 2008 Healthcare $ 000s
Revenue – Sale of Goods	-	-
Other income - interest received	-	-
- Royalty income	-	-
Share of profit of associate	-	-
Cost of sales	-	-
Other expenses	-	-
(Loss)/Profit from discontinued operation before tax and finance costs	-	-
Finance costs	-	-
(Loss)/Profit before income tax	-	-
Income tax expense	-	-
(Loss) / Profit on sale of discontinued operations	**(98)**	-
Net (loss)/profit attributable to discontinued operation	**(98)**	-
Basic (loss) per share from discontinued operation (dollars)	**(0.04) cent per share**	-
Diluted (loss) per share from discontinued operation (dollars)	**(0.04) cent per share**	-
The major classes of assets and liabilities of the discontinued operations are as follows:		
	30 June 2009 Healthcare $000s	30 June 2008 Healthcare $000s
Assets		
Intangible assets – expenditure on patents	-	62
Plant and equipment	-	7
Available for sale investments	-	-
Trade and other receivables	-	103
Inventories	-	24
Other assets	-	-
Cash and cash equivalents	-	29
Assets classified as held for sale	-	225
Liabilities		
Trade creditors and payables	-	(113)
Provisions	-	(364)
Other liabilities	-	-
Liabilities directly associated with assets classified as held for sale	-	(477)
Net assets/(liabilities) attributable to discontinued operations	-	(252)
The net cash flows of the discontinued operations for the year are as follows:		
Operating activities	**(72)**	(114)
Investing activities	**45**	73
Financing activities	-	-
Net cash outflow for the year	**(27)**	(41)

NOTE 7: EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net earnings for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares on issue during the year.

Diluted earnings per share amounts are calculated by dividing the net earnings attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares on issue during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	CONSOLIDATED	
	2009 $000s	2008 $000s
Net profit attributable to ordinary equity holders of the parent from continuing operations	**6,936**	3,859
Net (loss) attributable to ordinary equity holders of the parent from discontinuing operations	**(98)**	-
Net profit attributable to ordinary equity holders of the parent	**6,838**	3,859
Weighted average number of ordinary shares for basic earnings per share and diluted earnings per share (there has been no effect of dilution during the year).	**237,449,378**	154,102,113

Details regarding shares issued by the Company during the year ended 30 June 2009 are set out in Note 20.

To calculate loss per share amounts for the discontinued operation, the weighted average number of ordinary shares for both basic and diluted amounts is as per the table above. The following table provides the loss figure used as the numerator:

	2009 $ 000s	**2008 $ 000s**
Net loss attributable to ordinary equity holders of the parent from discontinuing operations:	**(98)**	-
- for basic loss per share	**(0.04) cent per share**	-
- for basic diluted loss per share	**(0.04) cent per share**	-

NOTE 8: CASH AND CASH EQUIVALENTS

	CONSOLIDATED		GREENCAP LIMITED	
	2009 $000s	2008 $000s	**2009 $000s**	2008 $000s
Cash at bank and in hand	**2,560**	3,895	**93**	7
Short term deposits	**1,227**	828	**510**	651
	3,787	4,723	**603**	658
Cash at bank and short terms deposits earn interest at floating rates based on daily bank deposit rates.				
The fair value of cash and cash equivalents is $3,787,000 (2008: $4,752,000) including amounts attributable to discontinued operations.				
Reconciliation to the Cash Flow Statement				
For purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June:				
Cash at banks and in hand	**2,560**	3,895	**93**	7
Short term deposits	**1,227**	828	**510**	651
	3,787	4,723	**603**	658
Cash at bank attributable to discontinued operations	**-**	29	**-**	-
Cash at 30 June	**3,787**	4,752	**603**	658
Reconciliation of net profit / (loss) after tax to net cash from operations				
Net profit / (loss) after income tax	**6,838**	3,859	**307**	(354)
Non-Cash Items				
Depreciation	**625**	348	**1**	1
Amortisation	**-**	-	**-**	-
Net unrealised foreign currency (gains) /losses	**-**	(29)	**-**	-
Provision for non recovery of loans to controlled entities	**-**	-	**-**	79
Recoverable amount write down of other assets	**-**	-	**-**	-
Write down of inventory to net realisable value	**-**	-	**-**	-
Share based payments	**-**	61	**-**	61
Cash items included in net profit/(loss) for period, and disclosed under Cash Flows from Investing and Financing activities within Statement of Cash Flows	**-**	-	**-**	-
Change in assets and liabilities, excluding capital related items				
Decrease/(increase) in trade and other debtors	**(1,314)**	(2,229)	**(158)**	-
Decrease/(increase) in prepayments, other current assets and other non current assets	**(273)**	(160)	**(1,651)**	(3)
Increase/(decrease) in trade creditors and other creditors	**(3,120)**	1,255	**115**	164
Increase/(decrease) in provision employee entitlements	**2,599**	1,213	**5**	-
Net cash from/(used in) operating activities	**5,355**	4,318	**(1,381)**	(52)

NOTE 8: CASH AND CASH EQUIVALENTS (cont.)

Financing Facilities

As at 30 June 2009 the consolidated entity had an overdraft facility of $50,000 (2008: $50,000).

Non cash financing and investing activities

	CONSOLIDATED		GREENCAP LIMITED	
Shares issued in respect of	**2009**	2008	**2009**	2008
Purchase of AEC Environmental	**8,750,000**	-	**8,750,000**	-
Purchase of Trevor R Howse	**24,937,500**	-	**24,937,500**	-
Purchase of Leeder Consulting	**9,000,000**	-	**9,000,000**	-
Purchase of MC2 Pacific	**500,000**	-	**500,000**	-
Dividend entitlements received under Company Dividend Reinvestment Plan	**588,510**	-	**588,510**	
Purchase of NAA	**-**	35,038,123	**-**	35,038,123
Settlement of dividend entitlements in lieu of cash dividend payment to vendors of NAA	**-**	8,040,425	**-**	8,040,425
Purchase of ENV	**-**	22,138,927	**-**	22,138,927
Purchase of ECC	**250,000**	2,250,000	**250,000**	2,250,000
Purchase of ELP	**2,633,500**	4,625,000	**2,633,500**	4,625,000
Company Employee Share Trust	**750,000**	5,360,000	**750,000**	5,360,000
Underwriting fees / management services	**-**	700,000	**-**	700,000
	47,409,510	78,152,475	**47,409,510**	78,152,475

There were no other non cash financing and investing activities during the year.

NOTE 9: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		GREENCAP LIMITED	
	2009 $000s	2008 $000s	**2009 $000s**	2008 $000s
CURRENT				
Trade receivables	**12,081**	10,242	**156**	-
Sundry debtors	**137**	2	**-**	-
Goods and Services Tax	**2**	-	**2**	-
Deposits	**219**	-	**-**	-
	12,439	10,244	**158**	-

Provision for impairment of receivables

	Opening Bal. 1 July 2008 $000s	Acquired entities $000s	Charge for Year $000s	Amounts written off $000s	**Closing Bal. 30 June 2009 $000s**
Trade receivables	(46)	-	(317)	105	**(258)**

The ageing of receivables at reporting date was as follows	CONSOLIDATED 2009 $000s	CONSOLIDATED 2008 $000s	GREENCAP LIMITED 2009 $000s	GREENCAP LIMITED 2008 $000s
Current invoicing	**5,840**	4,759	**-**	-
0- 30 days	**3,850**	3,469	**-**	-
31 – 60 days	**1,204**	947	**-**	-
Over 61 days	**1,187**	1,067	**156**	-
	12,081	10,242	**156**	-

Based on past experience, the Company believes that no impairment of receivables which are past due is necessary, other than the specific provisions noted above.

There are no other significant concentrations of credit risk.

NON CURRENT				
Amounts other than trade debtors receivable				
- loans to controlled entities	-	-	**1,238**	1,236

NOTE 10: OTHER ASSETS

CURRENT				
Prepayments	**487**	419	**95**	99
Inventories and work in progress	**547**	13	**-**	-
Income tax receivable	**-**	82	**248**	45
Intercompany ATO debt accounts	**-**	-	**996**	-
	1,034	514	**1,339**	144
NON CURRENT				
Prepayments	**107**	94	**107**	83
Deferred Tax Asset (Note 10a)	**1,169**	936	**451**	433
	1,276	1,030	**558**	516

Note 10 a)

Deferred Tax Asset				
The balance comprises temporary differences attributable to:				
Employee benefits	**709**	489	**47**	-
Accruals	**51**	30	**8**	30
Capital Raising Costs	**396**	403	**396**	403
Other	**13**	14	**-**	-
	1,169	936	**451**	433

Note 10 a) (cont.)

Movements – Consolidated	Balance at 1 July 2008 $ 000s	Commencing Balance re acquired entities $ 000s	Credit / (charge) to income statement $ 000s	Credit / (charge) to equity $ 000s	Balance at 30 June 2009 $ 000s
Employee benefits	489	97	123	-	709
Accruals	30	-	21	-	51
Capital Raising Costs	403	-	(163)	156	396
Other	14	-	(1)	-	13
	936	97	(20)	156	1,169
Movements - Parent					
Employee benefits	-	-	8	-	8
Accruals	30	-	17	-	47
Capital Raising Costs	403	-	(163)	156	396
	433	-	(138)	156	451

NOTE 11: OTHER FINANCIAL ASSETS

	CONSOLIDATED		GREENCAP LIMITED	
	2009 $000s	2008 $000s	2009 $000s	2008 $000s
Investments in controlled entities - at cost (Note 26)	-	-	59,768	37,455
Loans to controlled entities treated as equity investment	-	-	595	4,853
Provision for non recovery	-	-	(595)	(4,853)
	-	-	59,768	37,455

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

2009	CONSOLIDATED Leasehold Improvements $000s	CONSOLIDATED Plant & Equipment $000s	CONSOLIDATED Leased Plant & Equipment $000s	CONSOLIDATED TOTAL $000s	GREENCAP LIMITED Property Plant & Equip. $000s	GREENCAP LIMITED Total $000s
As at 1 July 2008, net of accumulated Depreciation and Impairment	117	849	-	966	-	-
Assets acquired as part of business combinations during the financial year	75	592	441	1,108	-	-
Additions	42	700	423	1,165	2	2
Disposals	(10)	(22)	-	(32)	-	-
Depreciation charge for the year	(44)	(496)	(85)	(625)	(1)	(1)
As at 30 June 2009, net of accumulated Depreciation and Impairment	180	1,623	779	2,582	1	1
At 1 July 2008						
Cost or fair value	192	3,075	-	3,267	6	6
Accumulated Depreciation and Impairment	(75)	(2,226)	-	(2,301)	(6)	(6)
Net Carrying Amount	117	849	-	966	-	-
At 30 June 2009						
Cost or fair value	299	4,345	864	5,508	8	8
Accumulated Depreciation and Impairment	(119)	(2,722)	(85)	(2,926)	(7)	(7)
Net Carrying Amount	180	1,623	779	2,582	1	1

2008	CONSOLIDATED Leasehold Improvements $000s	CONSOLIDATED Plant & Equipment $000s	CONSOLIDATED Leased Plant & Equipment $000s	CONSOLIDATED TOTAL $000s	GREENCAP LIMITED Property Plant & Equip. $000s	GREENCAP LIMITED Total $000s
As at 1 July 2007, net of accumulated Depreciation and Impairment	-	1	-	1	1	1
Assets acquired as part of business combinations during the financial year	92	667	-	759	-	-
Additions	61	493	-	554	-	-
Disposals	-	-	-	-	-	-
Disposals – discontinued Operations (note 6)	-	-	-	-	-	-
Assets included in discontinued operations held for sale (note 6)	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Depreciation charge for the year	(36)	(312)	-	(348)	(1)	(1)
Asset Write down	-	-	-	-	-	-
As at 30 June 2008, net of accumulated Depreciation and Impairment	117	849	-	966	-	-

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (cont.)

	CONSOLIDATED				GREENCAP LIMITED	
2008	Leasehold Improvements $000s	Plant & Equipment $000s	Leased Plant & Equipment $000s	TOTAL $000s	Property Plant & Equip. $000s	Total $000s
At 1 July 2007						
Cost or fair value	-	6	-	6	6	6
Accumulated Depreciation and Impairment	-	(5)	-	(5)	(5)	(5)
Net Carrying Amount	-	1	-	1	1	1
At 30 June 2008						
Cost or fair value	192	3,075	-	3,267	6	6
Accumulated Depreciation and Impairment	(75)	(2,226)	-	(2,301)	(6)	(6)
Net Carrying Amount	117	849	-	966	-	-

Note 13: INTANGIBLE ASSETS AND GOODWILL

	CONSOLIDATED			GREENCAP LIMITED		
2009	Goodwill $000s	Patents & Trademarks $000s	Total $000	Goodwill $000	Patents & Trademarks $000	Total $000
As at 1 July 2008, net of accumulated Amortisation and Impairment	**37,439**	**-**	**37,439**	**-**	**-**	**-**
Additions (note 27)	**23,945**	**-**	**23,945**	**-**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Disposals – discontinued operations (note 6)	**-**	**(76)**	**(76)**	**-**	**-**	**-**
Assets included in discontinued operations held for sale (note 6)	**-**	**-**	**-**	**-**	**-**	**-**
Impairment	**-**	**-**	**-**	**-**	**-**	**-**
Amortisation charge for the year	**-**	**-**	**-**	**-**	**-**	**-**
Acc. Amortisation on disposal of discontinued operation	**-**	**76**	**76**	**-**	**-**	**-**
As at 30 June 2009, net of accumulated Amortisation and Impairment	**61,384**	**-**	**61,384**	**-**	**-**	**-**
At 1 July 2008						
Cost (gross carrying amount)	**47,897**	**76**	**47,973**	**-**	**-**	**-**
Accumulated Amortisation and Impairment	**(10,458)**	**(76)**	**(10,534)**	**-**	**-**	**-**
Net Carrying Amount	**37,439**	**-**	**37,439**	**-**	**-**	**-**
At 30 June 2009						
Cost (gross carrying amount)	**71,842**	**-**	**71,842**	**-**	**-**	**-**
Accumulated Amortisation and Impairment	**(10,458)**	**-**	**(10,458)**	**-**	**-**	**-**
Net Carrying Amount	**61,384**	**-**	**61,384**	**-**	**-**	**-**

2008	CONSOLIDATED Goodwill $000s	CONSOLIDATED Patents & Trademarks $000s	CONSOLIDATED Total $000	GREENCAP LIMITED Goodwill $000	GREENCAP LIMITED Patents & Trademarks $000	GREENCAP LIMITED Total $000
As at 1 July 2007, net of accumulated Amortisation and Impairment	-	-	-	-	-	-
Additions	37,439	-	-	-	-	-
Disposals	-	-	-	-	-	-
Disposals – discontinued Operations (note 6)	-	-	-	-	-	-
Assets included in discontinued operations held for sale (note 6)	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Amortisation charge for the year	-	-	-	-	-	-
Exchange Adjustment	-	-	-	-	-	-
As at 30 June 2008, net of accumulated Amortisation and Impairment	37,439	-	-	-	-	-
At 1 July 2007						
Cost (gross carrying amount)	10,458	76	10,534	-	-	-
Accumulated Amortisation and Impairment	(10,458)	(76)	(10,534)	-	-	-
Net Carrying Amount	-	-	-	-	-	-
At 30 June 2008						
Cost (gross carrying amount)	47,897	76	47,973	-	-	-
Accumulated Amortisation and Impairment	(10,458)	(76)	(10,534)	-	-	-
Net Carrying Amount	37,439	-	37,439	-	-	-

Goodwill acquired through business combinations in the year ending 30 June 2009 relates to the risk management segment businesses.

Patents and trademarks include intangible assets acquired through previous business combinations (being the acquisition of Protex Healthcare). These intangible assets have been determined to have finite lives and are amortised over the life of the patent or trademark. Costs incurred in acquiring patents and trademarks are capitalised and amortised from the grant date of the patent or trademark. The Company originally made full provision for the net assets of the discontinued healthcare operations when preparing the consolidated financial accounts as at 30 June 2007.

NOTE 14: IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS

Goodwill acquired through business combinations, has been allocated to each of the individual cash generating units within the Company. The Company has nine cash generating units all being in the risk management sector.

Acquired goodwill in respect of each cash generating unit within the risk management segment has been subject to impairment testing as at 30 June 2009, based on discounted 5 year cash flow projections for each cash generating unit. No impairment was identified. The discontinued healthcare sector has no goodwill allocated to it, having been fully provided in previous financial years.

In making the assessment for each cash generating unit, a growth rate based on Australian government treasury forecasts was applied to operating cashflows over the 5 year assessment period (2011 / 2012 2% p.a., 2013 / 2014 4% p.a.). Cash-flows were discounted at a rate of 10%. A theoretical year 5 terminal value in respect of the relevant cash generating unit was then applied to equate the respective discounted cashflow to the current carrying value of that relevant cash generating unit. The theoretical terminal value was then considered in terms of reasonableness. The goodwill, and required theoretical terminal value applicable to each cash generating unit are set out overleaf.

NOTE 14: IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS (cont.)

Cash Generating Unit	Goodwill as at 30 June 2009 $000s	Theoretical terminal value required to attain breakeven. $000s
NAA	21,507	9,800
Trimevac	2,731	420
ENV / Validus	9,495	3,150
ECC	1,031	-
ELP	2,961	-
AEC Environmental	3,590	530
Trevor R Howse	9.788	5,750
Leeder Consulting	9,829	720
MC2 Pacific	452	-
	61,384	

The recoverable amount of goodwill in respect of the discontinued healthcare sector was reviewed and determined by reference to it's fair value less costs to sell at 30 June 2006, based on the decision of the directors at that time, to reduce costs and minimise the cash usage rate by downsizing the operational and corporate teams both in Australia and the UK. The goodwill relating to the healthcare business under this downsizing strategy was assessed at that time and was considered to be impaired. Accordingly, the carrying amount was written down to nil at 30 June 2006. During the year ending 30 June 2009 the Company completed the disposal of 75% of its 100% shareholding in Protex Healthcare (UK) Limited.

NOTE 15: SHARE BASED PAYMENT PLANS

The Company has established a Share Based payment plan, under an Employee Share Trust as approved by shareholders in General Meeting. The Company also received approval from shareholders in General Meeting to implement an option based plan, which has yet to be implemented.

The Employee Share Trust enables the Company to involve all staff in share ownership of the Company, in a number of ways. The principle means of involvement are;

a) through an employee acquiring shares in the Company through the method of a salary sacrifice arrangement, whereby the employee elects to receive part of their remuneration in the form of Company shares. The Company shares are held on behalf of the employee by the trustee of the Employee Share Trust.

b) the Company offering all staff members an allocation of 10,000 shares in the Company, paid for by a non-recourse loan.

c) specific performance arrangements with certain staff, under which staff may be entitled to receive shares in the Company as part of agreed performance schemes.

	2009 Number	2008 Number
Shares issued under Employee Share Trust at 1 July	**5,360,000**	-
Shares issued during year to Share Plan Trust for benefit of applying staff members, subject to non-recourse loans with the individual employee	**750,000**	5,360,000
Shares purchased on-market by Share Plan Trust for issue to qualifying staff members inclusive of salary sacrifice subscriptions taken up by staff members.	**3,937,317**	-
TOTAL Shares on issue to Employee Share Trust at 30 June	**10,047,317**	5,360,000

Prior to the financial year ending 30 June 2009, share options had been granted to directors and senior executives under a previously approved executive share option plan. The last options issued under this approved arrangement were in year ending 30 June 2006. Following approval by shareholders at a general meeting held on 6 July 2007 to consolidate the company's capital on a 1:20 basis, the exercise price of options on issue to employees and former employees of the company, has been adjusted to $4.00. As at 30 June 2007 the exercise price of these options was $0.20 (on a pre 1:20 consolidation basis). The options vest after prescribed periods of employment and if predetermined share prices are achieved. There are no cash settlement alternatives.

The following table shows the number of and movements in share options during the year, the options under these arrangements having been issued in previous financial years:

	2009 Number	2008 Number
Options on issue at 1 July	**300,000**	300,000
Granted during the year	**-**	-
Forfeited during the year	**-**	-
Exercised during the year	**-**	-
Expired during the year	**(250,000)**	-
Options on issue at 30 June	**50,000**	300,000

The options on issue at 30 June 2009 are made up as follows

- 50,000 options over ordinary shares with an exercise price of $4.00 per share expiring on 30 November 2009. All of these options are exercisable at 30 June 2009.

Number of options shown are after adjusting for 1:20 reconstruction implemented July 2007

Refer to note 24 which sets out details of option holdings currently in place with directors and key management personnel.

NOTE 16: TRADE AND OTHER PAYABLES

	CONSOLIDATED		GREENCAP LIMITED	
CURRENT	**2009 $000s**	2008 $000s	**2009 $000s**	2008 $000s
Trade creditors	**2,021**	1,412	**166**	3
Accrued expenses and sundry creditors	**2,557**	4,625	**360**	1,757
GST Payable	**1,172**	1,102	**-**	52
Payroll related taxes	**599**	477	**12**	10
Superannuation	**175**	138	**-**	-
	6,524	7,754	**538**	1,822

Terms and conditions: Trade creditors are non interest bearing and generally on 30 - 60 day terms. Sundry creditors and other payables are non interest bearing and generally on 30 - 60 day terms.

NON CURRENT				
Accrued expenses and sundry creditors	**30**	-	**-**	-
Amounts due from group entities	**-**	-	**1,989**	-
	30	-	**1,989**	-

NOTE 17: PROVISIONS

Annual leave	**1,330**	941	**-**	-
Long service leave	**1,256**	740	**-**	-
Other	**1,752**	8	**5**	-
	4,338	1,689	**5**	-

NOTE 18: OTHER CURRENT LIABILITIES

CURRENT				
Unearned revenue	**655**	488	**-**	-
Loan entitlements due to vendors of acquired entities	**478**	1,440	**-**	-
Income tax	**(248)**	1,019	**-**	-
Other	**89**	20	**-**	-
	974	2,967	**-**	-
NON CURRENT				
Deferred tax liability (note 18a)	**86**	-	**-**	-
Other	**57**	-	**-**	-
	143	-	**-**	-

Note 18 a) Deferred Tax Liability

Work in progress	**76**	-	**-**	-
Prepayments	**9**	-	**-**	-
Other	**1**	-	**-**	-
	86	-	**-**	-

Movements – Consolidated	**Balance at 1 July 2008 $ 000s**	**Commencing Balance re acquired entities $ 000s**	**Credit / (charge) to income statement $ 000s**	**Credit / (charge) to equity $ 000s**	**Balance at 30 June 2009 $ 000s**
Work in progress	**-**	**-**	**(76)**	**-**	**(76)**
Prepayments	**-**	**-**	**(9)**	**-**	**(9)**
Other	**-**	**-**	**(1)**	**-**	**(1)**
	-	**-**	**(86)**	**-**	**(86)**

NOTE 19: INTEREST BEARING LIABILITIES

	CONSOLIDATED		GREENCAP LIMITED	
CURRENT	**2009 $000s**	2008 $000s	**2009 $000s**	2008 $000s
Equipment loan	**350**	98	**-**	-
Commercial Bill Facility	**-**	1,374	**-**	1,374
Convertible Debt Agreements	**2,160**	1,380	**2,160**	1,380
	2,510	2,852	**2,160**	2,754
NON CURRENT				
Equipment loan	**597**	113	**-**	-
Commercial Bill Facility	**12,400**	5,414	**12,400**	5,414
	12,997	5,527	**12,400**	5,414

The Company has established a Commercial Bill Facility, utilised for financing the business combinations implemented by the Company in the financial year.

The Company entered into Vendor Loan Agreements with the vendors of Leeder Consulting Pty Ltd. The Vendor Loan Agreements were supported by Personal Guarantee arrangements provided by the bank to the individual vendors.

In addition, the providing bank has established a number of ancillary finance facilities to the consolidated entity, including lease guarantee facilities, equipment finance facilities, and overdraft facilities.

The bank facilities provided to the Company are secured by registered charges over certain of the equity holdings, and business and assets of certain of the subsidiary entities of the Company.

NOTE 20: CONTRIBUTED EQUITY AND RESERVES

	CONSOLIDATED		GREENCAP LIMITED	
Contributed Equity	**2009 $000s**	2008 $000s	**2009 $000s**	2008 $000s
Ordinary shares: issued and fully paid	**45,279**	29,761	**45,279**	29,761

	CONSOLIDATED		GREENCAP LIMITED	
	Number of shares	$000s	Number of shares	$000s
Balance at 30 June 2007	220,924,757	15,193	220,924,757	15,193
17 July 2007: reconstruction of capital 1:20	(209,878,179)	-	(209,878,179)	-
19 July 2007: Prospectus issue	75,000,000	15,000	75,000,000	15,000
19 July 2007: Employee Share Trust applications	1,542,500	308	1,542,500	308
19 July 2007: consideration NAA / ENV	30,484,375	6,097	30,484,375	6,097
19 July 2007: advisor shares	700,000	140	700,000	140
25 July 2007: Employee Share Trust	3,300,000	-	3,300,000	-
28 September 2007: consideration ECC	2,250,000	472	2,250,000	472
26 October 2007: top up consideration NAA / ENV	26,692,675	5,872	26,692,675	5,872
26 October 2007: shares in lieu of cash dividend entitlement NAA vendors	8,040,425	1,608	8,040,425	1,608
25 March 2008: Employee Share Trust – employee shares	2,060,000	61	2,060,000	61
17 June 2008: consideration ELP	4,625,000	833	4,625,000	833
Share issue costs net of deferred tax	-	(864)	-	(864)
Recapitalisation of accumulated losses	-	(14,959)	-	(14,959)
Balance at 30 June 2008	165,741,553	29,761	165,741,553	29,761

	CONSOLIDATED		GREENCAP LIMITED	
Shares Issued during year ended 30 June 2009;	**Number of shares**	**$000s**	**Number of shares**	**$000s**
18 August 2008: part consideration for purchase of AEC Environmental	**8,750,000**	**1,575**	**8,750,000**	**1,575**
29 July 2008: staff bonus entitlements in respect of June 2008 year performance	**750,000**	**150**	**750,000**	**150**
28 August 2008: under Placement – tranche 1	**7,500,000**	**1,200**	**7,500,000**	**1,200**
30 September 2008: under Placement – tranche 2	**37,500,000**	**6,000**	**37,500,000**	**6,000**
30 September 2008: part consideration for purchase of Leeder Consulting Pty Ltd Pty Ltd	**9,000,000**	**1,665**	**9,000,000**	**1,665**
30 September 2008: part consideration for purchase of Trevor R Howse & Associates Pty Ltd Pty Ltd	**24,937,500**	**4,613**	**24,937,500**	**4,613**
21 October 2008: Dividend Reinvestment Plan	**588,510**	**105**	**588,510**	**105**
1 December 2008: part deferred consideration for purchase of ELP Pty Ltd	**2,633,500**	**474**	**2,633,500**	**474**
1 December 2008: part deferred consideration for purchase of ECC Pty Ltd	**250,000**	**45**	**250,000**	**45**
19 January 2009: cancellation of shares purchased under share buy-back	**(82,722)**	**(15)**	**(82,722)**	**(15)**
11 May 2009: part consideration for business of MC2 Pacific	**500,000**	**70**	**500,000**	**70**
Share issue costs net of deferred tax	**-**	**(364)**	**-**	**(364)**
Total shares on issue at 30 June 2009	**258,068,341**	**45,279**	**258,068,341**	**45,279**

Effective from 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital nor par value shares in respect of its issued capital.

Fully paid ordinary shares carry 1 vote per share and carry the right to dividends.

Share Options

Unlisted employee options over ordinary shares
The company previously issued options under a shared based payment option scheme under which options to subscribe for the company's shares were granted to certain directors and executives (refer to note 15).

Unlisted options over ordinary shares
At 30 June 2009 the number of unlisted options on issue was 50,000 (2008: 300,000). During the year no options were exercised to acquire ordinary shares (2008: nil)

	CONSOLIDATED		GREENCAP LIMITED	
Option Premium Reserve	**2009 $000s**	2008 $000s	**2009 $000s**	2008 $000s
Balance at 1 July	**622**	622	**622**	622
Share based payments	**-**	-	**-**	-
Balance at 30 June	**622**	622	**622**	622

NOTE 20: CONTRIBUTED EQUITY AND RESERVES (cont.)

	CONSOLIDATED		GREENCAP LIMITED	
Accumulated Profits / (Losses)	2009 $000s	2008 $000s	2009 $000s	2008 $000s
Balance at 1 July	**3,518**	(15,300)	**(693)**	(14,959)
Opening adjustment – included as consolidation adjustment in prior year	**-**	-	**(86)**	(339)
Reduction of share capital approved	**-**	14,959	**-**	14,959
Net profit (loss) attributable to members of Greencap Limited	**6,838**	3,859	**307**	(354)
Dividend paid	**(1,271)**	-	**(1,271)**	-
Dividend received from subsidiary entities	**-**	-	**2,415**	-
Balance at 30 June	**9,085**	3,518	**672**	(693)
Foreign Currency Translation Reserve				
Balance at 1 July	**(26)**	3	**-**	-
Foreign currency translation differences	**-**	(29)	**-**	-
Written off on disposal of discontinued operation	**26**	-	**-**	-
Balance at 30 June	**-**	(26)	**-**	-

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial instruments consist primarily of cash deposits held with banks, accounts receivable and payable, loans to and from subsidiaries within the group, commercial bills, convertible debt arrangements, and leases. The Company does not have any derivative financial instruments.

The main purpose of these financial instruments is to finance group operations, and to contribute to the purchase financing of business combinations.

The Company has exposure to the following risks from the use of financial instruments;

a) market risk,

b) liquidity risk, and

c) credit risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established a Finance & Audit Committee, which is responsible for developing and monitoring risk management policies.

a) Market Risk

Interest Rate Risk

The Company has set a policy of maintaining the ratio of Gross Debt to Net Equity within a range of 20% to 40%. As the Company completes business combinations, it will aim to finance the consideration for such business combinations through a mixture of cash paid to vendors, and issue of new shares in the Company to the vendors. The ratio of cash consideration to share consideration will vary between each business combination undertaken by the Company, and the specific circumstances relating to each particular business combination.

The Company will finance the cash consideration component from a number of sources, being cash reserves of the Company, raising of new equity funds, and debt finance. The structure of cash consideration used will be determined in relation to each business combination undertaken, with the overall strategy of maintaining the ratio of Gross Debt to Net Equity within the target range of 20% - 40%.

The Company has determined that whilst maintaining an overall Gross Debt to Net Equity ratio of between 20% and 40% then the interest rate exposures to commercial bill and bank borrowings will be on a floating basis. The Company will continue to monitor interest rate movements and market expectations, to enable it to re-assess this policy.

The Company may also utilise vendor finance arrangements in the overall consideration structure of a particular business combination. Where such an arrangement is established, it will usually be in the form of a converting debt arrangement, for a fixed term. The terms of the arrangement will be agreed with the relevant vendor as part of the acquisition process. This will include establishing a rate of interest to be paid by the Company in respect of the Vendor Loan arrangement.

At the balance date, the Company had the following categories of financial instruments with an exposure to interest rates.

	CONSOLIDATED		GREENCAP LIMITED	
	2009 $000s	2008 $000s	**2009 $000s**	2008 $000s
Cash and cash equivalents	**3,787**	4,752	**603**	658
Commercial Bill Facility	**12,400**	6,788	**12,400**	6,788
Vendor Loan Arrangements	**2,160**	1,380	**2,160**	1,380
Equipment finance	**947**	211	**-**	-
Net (Exposure) / Surplus	**(11,720)**	(3,627)	**(13,957)**	(7,510)

The following sensitivity analysis is based on the actual cash and borrowing levels during the financial year. A 1% sensitivity has been applied to cash balances and those financial liabilities which have variable interest rates applied.

	CONSOLIDATED		GREENCAP LIMITED	
Change in Net Profit after Tax	**2009 $000s**	2008 $000s	**2009 $000s**	2008 $000s
- increase in interest rate by 1%	**(73)**	(31)	**(87)**	(45)
- decrease in interest rate by 1%	**73**	31	**87**	45

Foreign Exchange Risk

The Company had a subsidiary located in the United Kingdom for part of the year ended 30 June 2009, disposing of 75% of its interest in January 2009. The UK healthcare business had nominal activity in the financial year. The investment and loan funding to this subsidiary operation had been fully written off in previous financial years. As a consequence, the Company has no material foreign currency exposure.

b) Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of its cash and funding alternatives. The Company monitors liquidity risk through assessment of both short term, and medium term cash-flow forecasts at individual subsidiary operation level, and at group consolidated level. Forecasts take into account management expectations of both anticipated settlement of financial assets and liabilities.

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

The table below analyses the Company's interest bearing liabilities that will be settled on a gross basis, and excluding the impact of any netting arrangements.

	CONSOLIDATED		GREENCAP LIMITED	
	2009 $000s	2008 $000s	**2009 $000s**	2008 $000s
Between 0 and 6 months	**2,883**	2,370	**2,575**	2,312
Between 6 and 12 months	**514**	1,046	**372**	991
Between 1 and 5 years	**15,176**	6,325	**14,531**	6,207
	18,573	9,741	**17,478**	9,510

The following table discloses the maturity analysis of financial assets and liabilities, based on management expectations.

Consolidated as at 30 June 2009	0 – 6 months $000s	6 -12 months $000s	1 – 5 years $000s	+ 5 years $000s	Total $000s
Cash and cash equivalents	3,787	-	-	-	3,787
Trade and Other Receivables	12,439	-	-	-	12,439
Liabilities	9,722	821	1,032	434	12,009
Interest Bearing Liabilities	2,434	114	12,959	-	15,507
Net Surplus / (Exposure)	4,070	(935)	(13,991)	(434)	(11,290)

Parent as at 30 June 2009	0 – 6 months $000s	6 -12 months $000s	1 – 5 years $000s	Total $000s
Cash and cash equivalents	603	-	-	603
Trade and other receivables	106	52	-	158
Payables	478	65	-	543
Interest Bearing Liabilities	2,160	-	12,400	14,560
Net Exposure	(1,929)	(13)	(12,400)	(14,342)

c) Credit Risk

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk. The Company does not hold any credit derivatives to offset its credit exposure.

The Company trades with recognised and creditworthy third parties. The Company and subsidiary businesses have policies and procedures in place to ensure that sales are made to customers with appropriate credit histories. Cash balances are held with established financial institutions.

The consolidated entity does not have any significant credit exposure in respect of trade receivables to any single counterparty.

Fair Value

The Directors consider that the carrying amount of the financial assets and liabilities recorded in the financial statements approximate their fair values unless otherwise stated.

NOTE 22: REMUNERATION OF AUDITORS

	CONSOLIDATED		GREENCAP LIMITED	
	2009 $000s	2008 $000s	2009 $000s	2008 $000s
Amounts received or due and receivable by Moore Stephens for:				
- an audit or review of the financial report of the entity and any other entity in the consolidated entity	**66**	98	**66**	98
- other services: taxation	**65**	16	**65**	16
: due diligence investigations	**-**	33	**-**	33
: Investigating Accountants Report	**-**	39	**-**	39
- payments to associates of Moore Stephens				
: audit	**131**	-	**131**	-
: due diligence investigations	**15**	67	**15**	67
	277	253	**277**	253

NOTE 23: COMMITMENTS AND CONTINGENCIES

Operating lease commitments				
Non cancellable operating lease commitments not provided for in the accounts:				
Not later than six months	**1,138**	814	-	-
Later than six months and not later than 12 months	**1,124**	806	-	-
Later than one year and not later than 5 years	**3,867**	2,792	-	-
Later than five years	**287**	81	-	-
	6,416	4,493	-	-

Operating leases have an average lease term of 2.84 years, and the commitment represents payments due for leased premises under non-cancellable operating leases, and certain equipment leases used within the businesses.

Remuneration commitments

The maximum contingent liability of the head entity for termination benefits under service agreements with executive directors who take part in the management of the company as at 30 June 2009 was $189,660 (2008: $327,000).

Claim Against Subsidiary Entity

In 2005, Trevor R Howse & Associates Pty Ltd (TRHA) became a defendant to a claim for damages in respect of a building redevelopment in Sydney which was made against a number of parties (Claim). The Claim relates to work undertaken in the mid 1990s and is being defended by TRHA and others. Prior to completing the acquisition of the issued capital of TRHA, Greencap obtained confirmation from the professional indemnity insurer for TRHA that indemnity for cover for the Claim was in place, subject to the terms of the relevant insurance policy. In addition, certain indemnities were obtained from the vendor of the issued capital of TRHA and an associated party. The Claim is not expected to be determined prior to 30 September 2009. Greencap does not consider that the Claim, should it be successful, is likely to have any material effect on the financial position of TRHA or Greencap.

NOTE 24: DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

(i) Directors

S. Belben (Non Executive Chairman)
J.Broun (Managing Director)
S. Bird (Executive Director)
A. Gay (Non Executive Director)
N. Arnold (Non Executive Director - resigned 24 September 2009)
A. Meerman (Executive Director – resigned 15 September 2009)
M. Slater (Executive Director – resigned 10 June 2009)
J Priest (Non Executive Chairman appointed 10 June 2009 – resigned 8 July 2009)

(ii) Key Management Personnel

The board of directors have determined that, other than the directors of Greencap Limited, the Key Management Personnel within the Company are the business heads of each of the individual subsidiary businesses. These Key Management Personnel have primary responsibility for the strategic direction of each subsidiary business, as well as contributing to group matters as part of the group executive committee. The Key Management Personnel for the year ending 30 June 2009 are noted below. Disclosure in respect of Mr Andrew Meerman (Managing Director of Noel Arnold & Associates Pty Ltd) and Mr Scott Bird (Managing Director of ENV Australia Pty Ltd) are included within disclosures of directors of Greencap Limited.

Year ending 30 June 2009

W Dettmann (Managing Director ECC Pty Ltd)
W Haylock (Managing Director Environmental & Licensing Professionals Pty Ltd)
H Howse (Managing Director Trevor R Howse & Associates Pty Ltd)
J Leeder (Managing Director Leeder Consulting Pty Ltd)
J Todd (Managing Director AEC Environmental Pty Ltd)

Year ending 30 June 2008

P Addison (NAA director)
M Thompson (NAA director)
G Harradine (NAA director)
C Hunter (NAA director)
W Meszaros (NAA director)

(b) Compensation of Directors and Key Management Personnel

Please refer to the Remuneration Report contained in the Directors' Report.

(c) Shareholdings of Directors and Key Management Personnel *(see table below)*

30 June 2009	Balance at 1 July 2008##	Received in relation to business combinations	Acquired on market / received under DRP#	Issued to Trustee of Company Share Trust	Disposed on market	Balance at 30 June 2009
Directors in office at 30 June 2009						
S Belben	26,992	-	-	-	-	26,992
A Gay	358,617	-	174,012	-	-	532,629
J Broun	1,938,657	-	279,130	-	-	2,217,787
N Arnold (resigned 24 September 2009)	25,931,859		238,246	## 228,653		26,398,758
S Bird	8,185,519		5,000	-		8,190,519
A Meerman (resigned 15 September 2009)	7,140,933		184,754	## 195,988	-	7,521,675
J Priest (appointed 10 June 2009 – resigned 8 July 2009)	-	-	-	-	-	-
TOTAL Directors	43,582,577	-	881,142	424,641	-	44,888,360
Key Management Personnel at 30 June 2009						
W Dettmann	2,270,000	250,000	191,026	-	-	2,711,026
W Haylock	4,625,000	2,633,500	786,678	-	-	8,045,178
H Howse	-	24,937,500	-	-	-	24,937,500
J Leeder	-	5,400,000	177,176	-	-	5,577,176
J Todd	-	4,375,000	35,258	-	-	4,410,258
TOTAL Key Management	6,895,000	37,596,000	1,190,138	-	-	45,681,138

DRP; Dividend Reinvestment Plan ##; shares issued in respect of bonus earned and accrued in year ending 30 June 2008

30 June 2008	Balance at 1 July 2007##	Received in relation to business combinations	Acquired on market	Issued to Trustee of Company Share Trust	Disposed on market	Balance at 30 June 2008
Directors in office at 30 June 2008						
A Gay	210,475	-	148,142	-	-	358,617
S Belben	26,992	-	-	-	-	26,992
J Broun	25,364	-	263,293	1,650,000 #	-	1,938,657
N Arnold	-	25,870,682	61,177	-	-	25,931,859
S Bird	-	8,050,518	135,001	-	-	8,185,519
A Meerman	-	7,103,933	37,000	-	-	7,140,933
M Slater	150,000	-	-	1,650,000 #	-	1,800,000
TOTAL Directors	412,831	41,025,133	644,613	3,300,000	-	45,382,577
Key Management Personnel at 30 June 2008						
P Addison	-	7,103,933	869,912	10,000		7,983,845
M Thompson	-	-	375,000	10,000		385,000
G Harradine	-	-	152,975	10,000		162,975
C Hunter	-	2,500,000	-	10,000	(49,946)	2,460,054
W Meszaros	-	500,000	-	10,000	-	510,000
TOTAL Key Management	-	10,103,933	1,397,887	50,000	(49,946)	11,501,874

issued to Trustee of the Company Employee Share Trust, paid for by a non-recourse loan with the named director. The shares issued to each named director vested to the named director 2 years from issue date.

Number of shares as at 1 July 2007 is restated after the effect of a 1:20 reconstruction of the Company's capital structure, approved by shareholders in General Meeting and implemented in July 2007.

(d) Option holdings of Directors and Key Management personnel

Year ended 30 June 2009 and 30 June 2008					Vested at 30 June 2009 and 30 June 2008		
	Balance at 30 June 2007	Balance at 30 June 2008	Expired in year ended 30 June 2009	Balance at 30 June 2009	Total	Exercisable	Not Exercisable
Directors							
S. Belben	100,000	100,000	(100,000)	-	-	-	-
A. Gay	25,000	25,000	-	25,000	25,000	25,000	-
TOTAL	125,000	125,000	(100,000)	25,000	25,000	25,000	-

No options were granted, or forfeited in the year ending 30 June 2009.

NOTE 25: RELATED PARTY DISCLOSURES

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

Transactions with Related Parties	CONSOLIDATED 2009 $000s	CONSOLIDATED 2008 $000s	GREENCAP LIMITED 2009 $000s	GREENCAP LIMITED 2008 $000s
Issue of shares as settlement of dividend entitlement to vendors of acquired company				
Ilintin Pty Ltd – a company controlled by Mr N Arnold	**-**	1,155	**-**	1,155
Mr A Meerman	**-**	226	**-**	226
During the 2008 year, Greencap Limited issued new shares to certain of the vendors of Noel Arnold & Associates Pty Ltd, as settlement in lieu of certain dividend entitlements they had in respect of distributable earnings prior to the acquisition of that entity by Greencap Limited. The settlement of the dividend entitlement through the issue of new shares in Greencap Limited was established in the share purchase agreements entered into between Greencap Limited and the vendors of Noel Arnold & Associates Pty Ltd under which each vendor had the right to take the dividend entitlement in cash of the issue of Greencap shares at an issue price o $0.20 per share.				
Settlement of loan entitlement to vendors of acquired companies by cash payment				
Ilintin Pty Ltd – a company controlled by Mr N Arnold	**-**	577	**-**	-
Mr A Meerman	**-**	113	**-**	-
Mr S Bird	**547**	254	**-**	-
When the Company acquired the subsidiary entities of Noel Arnold & Associates Pty Ltd, and ENV Australia Pty Ltd, each of those entities had loan liabilities payable to former shareholders. During the financial year, certain of these loan entitlements have been remitted to the related parties who were former shareholders.				
Corporate Services				
First Corporate Pty Ltd A company of which Mr J Broun and Mr M Slater were directors at the time of the transactions.	**-**	6	**-**	6
First Corporate Pty Ltd A company of which Mr J Broun was a director at the time of the transactions.	**58**	-	**58**	-
Midas Corporate Pty Ltd A company of which Mr M Slater was a director at the time of the transactions.	**-**	6	**-**	6
SG Special Situations Pty Ltd A company of which Mr S Belben was a director at the time of the transactions.	**36**	39	**36**	39
Income from Related Subsidiaries				
Management Fees	**-**	-	**1,194**	805
Outstanding Balances				
Loans to Subsidiaries	**-**	-	**1,238**	1,401
Loans from Subsidiaries	**-**	-	**1,989**	166
Outstanding loan entitlement to vendor of acquired company				
Mr S Bird	**43**	590	**-**	-

NOTE 26: CONTROLLED ENTITIES

Name	Beneficial interest held by the consolidated entity		Book value of investment	
	2009 %	2008 %	**2009 $000s**	2008 $000s
Noel Arnold & Associates Pty Ltd **	**100**	100	**21,460**	21,456
Trimevac Pty Ltd (100% subsidiary of NAA)	**100**	100	**2,731**	2,731
MC2 Pacific Pty Ltd (formerly Noel Arnold & Associates Pty Ltd, being a 100% subsidiary of Noel Arnold & Associates Pty Ltd)	**100**	100	**452**	-
ENV Australia Pty Ltd **	**100**	100	**9,469**	9,464
ECC Pty Ltd **	**100**	100	**1,032**	937
Validus Group Pty Ltd **	**100**	100	**27**	27
Environmental & Licensing Professionals Pty Ltd **	**100**	100	*** 3,021**	2,840
AEC Environmental Pty Ltd (formerly Greencap No 1. Pty Ltd) **	**100**	100	**3,590**	-
Leeder Consulting Pty Ltd **	**100**	-	*** 9,829**	-
Trevor R Howse & Associates Pty Ltd **	**100**	-	**9,713**	-
Protex Healthcare (Aus) Pty Ltd**	**100**	100	**-**	-
Protex Healthcare (UK) Ltd***	**25**	100	**-**	-
Auridiam Resources Pty Ltd**	**100**	100	**-**	-
Kingsmore Pty Ltd**	**100**	100	**-**	-
City Link Pty Ltd**	**100**	100	**-**	-
Auridiam Botswana (Pty) Ltd	**100**	100	**-**	-
Allswan Pty Ltd**	**100**	100	**-**	-

Greencap Limited is the ultimate parent entity.
All shares held comprise ordinary fully paid shares.
* Inclusive of accrued deferred consideration.
** Investment held directly by Greencap Limited.
*** Protex Healthcare (Aus) Pty Ltd owns 25% of Protex Healthcare (UK) Ltd

All companies, with the exception of Protex Healthcare (UK) Ltd and Auridiam Botswana (Pty) Ltd were incorporated in Australia. Protex Healthcare (UK) Ltd was incorporated in the UK and Auridiam Botswana (Pty) Ltd was incorporated in Botswana and is dormant. Overseas controlled entities carried on business in their country of incorporation.

NOTE 27: BUSINESS COMBINATIONS

Greencap Limited acquired 4 businesses during the financial year to 30 June 2009.

Deferred consideration was paid in respect of 2 businesses acquired by Greencap prior to 1 July 2008.

Details for each acquisition undertaken in the financial year to 30 June 2009, and deferred consideration paid on existing businesses, are noted below.

a) AEC Environmental

The economic entity acquired the business and certain assets of the environmental consulting business AEC Environmental (AEC), on 18 August 2008. The AEC business provides specialist consulting services in risk management, including, environmental management, and hazardous material management. The purchase consideration was paid through a combination of cash, and issue of Greencap shares. The total consideration is detailed below.

The purchase price was allocated as follows:	**$ 000s**
Total cash consideration	1,750
Total share consideration – 8,750,000 shares @ $0.18 per share	1,575
Cash payment for net assets purchased	128
Total Consideration	3,453
Costs capitalised in acquiring AEC (including stamp duty)	265
TOTAL Cost of Investment	3,718
Net Assets acquired at acquisition date:	128
Goodwill paid as at 30 June 2009	3,590
Contribution made by AEC Environmental from date of acquisition;-	
Profit before tax and Corporate management recharges	795

NOTE 27: BUSINESS COMBINATIONS (cont.)

Details of the fair value of the assets and liabilities acquired are set out below.

	Acquiree's carrying amount $ 000's	Fair value $ 000's
Inventory	7	7
Plant and equipment	243	243
Employee provisions	(122)	(122)
Net Assets	128	128

The goodwill paid is attributed to the profitability of the acquired business, being a result of the combined technical and market knowledge of the business's staff, and the anticipated long term growth of this business.

b) Leeder Consulting Pty Ltd

The economic entity acquired 100% of the issued share capital of Leeder Consulting Pty Ltd, the business and trading name of the Leeder Consulting Partnership, and certain assets and liabilities of the Leeder Consulting Partnership ("Leeder"), on 30 September 2008. Leeder provides specialist laboratory testing and consulting services. The purchase consideration was paid through a combination of cash, vendor loan and issue of Greencap shares. The total consideration is detailed below.

The vendors of Leeder are entitled to a deferred consideration payment, subject to Leeder attaining a minimum Earnings before Interest Tax and Amortisation (EBITA) of $1.9 million for the 12 months to 30 June 2009. Additional consideration is to be calculated as 5 x the excess of actual EBITA over $1.9 million. Any such consideration is payable 50% as cash, and 50% in new Greencap shares the number of such shares to be issued being calculated at a 30 day VWAP.

The deferred consideration is payable by Greencap within 30 days of issuing the Annual Report for the financial year ending 30 June 2009. Accordingly, consideration is expected to be made during October 2009.

This deferred consideration payment has been recognized in these accounts, since the period for assessment of the target performance has now concluded.

The purchase price was allocated as follows:

	$ 000's
Initial cash consideration	5,040
Initial share consideration – 9,000,000 shares @ $0.185 per share	1,665
Vendor loan agreement	2,160
Cash payment for net assets purchased	172
Total Initial Consideration	9,037
Costs capitalised in acquiring Leeder	66
	9,103
Deferred cash consideration payable post 30 June 2009	449
Deferred share consideration – number of shares to be issued will be determined based on the 30 day volume weighted average price immediately prior to the issue of such shares.	449
Total Deferred Consideration payable	898
TOTAL Cost of Investment	10,001
Net Assets acquired at acquisition date:	172
Goodwill paid as at 30 June 2009	9,829

Contribution made by Leeder Consulting from date of acquisition:	
Profit before tax and corporate management recharges	1,567

Details of the fair value of the assets and liabilities acquired are set out below.

	Acquiree's carrying amount $ 000's	Fair value $ 000's
Inventory and other current assets	142	142
Plant and equipment	791	791
Employee provisions	(129)	(129)
Other Liabilities	(632)	(632)
Net Assets	172	172

The goodwill paid is attributed to the profitability of the acquired business, being a result of the combined technical and market knowledge of the business's staff, and the anticipated long term growth of this business.

c) Trevor R Howse & Associates Pty Ltd

The economic entity acquired 100% of the issued share capital of Trevor R Howse & Associates Pty Ltd ("TRH"), on 30 September 2008. TRH provides specialist advisory services in respect of building code / regulations, and fire safety engineering in relation to property assets. The purchase consideration was paid through a combination of cash and issue of Greencap shares. The total consideration paid to date is detailed below.

The purchase was allocated as follows:

	$ 000's
Total Cash consideration	4,987
Share consideration – 24,937,500 shares @ $0.185 per share	4,614
Total Consideration	9,601
Costs capitalised in acquiring TRH	112
TOTAL Cost of Investment	9,713
Net Assets acquired at acquisition date:	-
Goodwill paid as at 30 June 2009	9,713
Contribution made by TRH from date of acquisition:	
Profit before tax and Corporate management recharges	752

Details of the fair value of the assets and liabilities acquired are set out below.

	Acquiree's carrying amount $ 000's	Fair value $ 000's
Cash and cash equivalents	372	372
Trade Receivables and other current assets	1,038	1,038
Plant and equipment	58	58
Other non current assets	45	45
Trade Creditors, accruals and provisions	(1,513)	(1,513)
Net Assets	-	-

The goodwill paid is attributed to the profitability of the acquired business, being a result of the combined technical and market knowledge of the business's staff, and the anticipated long term growth of this business.

The goodwill paid is attributed to the profitability of the acquired business, being a result of the combined technical and market knowledge of the business's staff, and the anticipated long term growth of this business.

d) MC2 Pacific

The economic entity acquired the business and trading name of the business risk consulting business MC2 Pacific (MC2), on 12 May 2009. The MC2 business provides specialist advice in relation to business risk, business continuity issues, and crisis management. The initial purchase consideration was paid through a combination of cash, and issue of Greencap shares. The vendor is entitled to certain deferred consideration payments based on attainment of agreed performance hurdles over the 24 month period following completion of the business acquisition. The deferred consideration payable is a maximum of $10,000 cash consideration, and a maximum of $160,000 non-cash consideration, to be paid in the form of Greencap shares. The deferred non-cash consideration of $160,000 has not been reflected in these accounts as attainment of the performance hurdles cannot be reasonably determined at this point in time.

The purchase was allocated as follows:

	$ 000's
Total Cash consideration	350
Share consideration – 500,000 shares @ $0.14 per share	70
Total Initial Consideration	420
Costs capitalised in acquiring MC2 Pacific	22
Deferred cash consideration payable post 30 June 2009	10
Total Initial Cost of Investment	452
Net Assets acquired at acquisition date:	-
Goodwill paid as at 30 June 2009	452

No assets or liabilities were acquired, other than the trading name and business.

The goodwill paid is attributed to the profitability of the acquired business, being a result of the combined technical and market knowledge of the business's staff, and the anticipated long term growth of this business.

e) Deferred Consideration in respect of Environmental & Licensing Professionals Pty Ltd ("ELP")

The economic entity originally acquired 100% of the issued share capital of ELP on 17 June 2008 as disclosed in the Annual Report to 30 June 2008. The vendor of ELP was entitled to a top up consideration payment based on the final Earnings before Interest and Tax (EBIT) performance for the business in respect of the year ended 30 June 2008.

Actual payment made to the vendor in respect of this top up

NOTE 27: BUSINESS COMBINATIONS (cont.)

consideration was assessed as being Top Up Consideration less $1.85 million consideration paid on initial settlement. The top up consideration was paid during the year as to 50% in cash, and 50% in the form of newly issued shares in Greencap Limited at $0.20 per share.

The vendor of ELP is also entitled to a final consideration payment, based on the EBIT performance of ELP for the 12 months to 30 June 2009. Such consideration will be paid in the form of 50% as cash, and 50% through the issue of shares in Greencap Limited. The number of shares to be issued will be calculated based on the 20 business day Volume Weighted Average Price of the Company's shares for period immediately preceding the issue of such shares. The consideration payment is to be 1 x the incremental profit achieved for the 12 months to 30 June 2009, in excess of the actual 2008 EBIT result increased by 10% indexation.

The deferred consideration is payable by Greencap within 30 days of issuing the Annual Report for the financial year ending 30 June 2009. Accordingly, consideration is expected to be made during October 2009.

The final potential deferred consideration payment has been recognised in these accounts, since the period for assessment of the target has now been concluded.

The revised details of the acquisition are noted below.

The purchase price incurred as at 30 June 2009 was allocated as follows:

	$ 000's
Initial Cash consideration	925
Initial Share consideration – 4,625,000 shares @ $0.18 per share	833
Total Initial Consideration 17 June 2008	1,758
Top up cash consideration -	526
Top up share consideration – 2,633,500 shares at $0.18 per share issued 1 December 2008	474
Gross Consideration Paid to 30 June 2009	2,758
Deferred cash consideration – payable post 30 June 2009	104
Deferred share consideration – number of shares to be issued will be determined based on the 20 business day volume weighted average price immediately prior to the issue of such shares.	104
Costs capitalised in acquiring ELP	55
TOTAL Cost of Investment	3,021
Net Assets acquired at acquisition date:	60
Goodwill paid as at 30 June 2009	2,961

f) Deferred Consideration in respect of ECC Pty Ltd ("ECC")

The economic entity acquired 100% of the issued share capital of ECC Pty Ltd ("ECC"), on 28 September 2007 as disclosed in the Annual Report to 30 June 2008. The vendor of ECC was entitled to a deferred consideration payment, being $50,000 payable in the form of cash and 250,000 shares in Greencap, should the ECC business attain an EBIT of at least $250,000 in the 12 month period immediately following the purchase of the business.

ECC attained the EBIT target of $250,000 as noted and deferred consideration was paid in the form described below.

The revised details of the acquisition are noted below.

The purchase price incurred as at 30 June 2009 was allocated as follows:

	$ 000's
Initial Cash consideration	450
Initial Share consideration – 2,250,000 shares @ $0.21 per share	472
Total Initial Consideration - 30 September 2007	922
Deferred Cash consideration -	50
Deferred share consideration – 250,000 shares at $0.18 per share issued 1 December 2008	45
Gross Consideration Paid to 30 June 2009	1,017
Costs capitalised in acquiring ECC	15
TOTAL Cost of Investment	1,032
Net Assets acquired at acquisition date:	1
Goodwill paid as at 30 June 2009	1,031

NOTE 28: SUBSEQUENT EVENTS

Dividend Payment

The company paid a dividend of $0.0075 cents per share on 22 September 2009. The total dividend paid amounted to $1.935 million. The dividend was paid in the form of cash ($1.825 million), and through the issue of 712,894 new fully paid ordinary shares in Greencap Limited, under the Company's Dividend Reinvestment Plan, representing $0.110 million.

Emerson Stewart Limited

On 26 August 2009, the Company announced that it had entered into a Heads of Agreement (HOA) and subsequently an Implementation Agreement with Emerson Stewart Limited (ESL), to give effect to the merger of the two groups by a scheme of arrangement under the Corporations Act. The merger is conditional upon finalisation of due diligence by 7 October 2009 and will thereafter require shareholder and court approvals in accordance with the Corporations Act (anticipated by early December 2009).

The merger of the two groups is premised on the ability to create a significant national market presence in the risk management, environmental, project management and engineering and diagnostic sectors.

The merger is intended to generate further revenues and value from the existing businesses by combining Greencap group's present companies in diversified but complementary business areas, national footprint, strong revenue lines and institutional shareholder base, with Emerson Stewart's project management and engineering consultancy operations with a strong WA focus. Should the merger be completed, it is intended to result in a company with an experienced board, strategic leadership capability and a stronger balance sheet.

The Scheme of Arrangement is proposed by Emerson Stewart on the basis that Greencap will acquire all of ESL's issued capital by issuing Greencap shares to ESL shareholders on a 1:1 basis (with any outstanding Emerson Stewart options being acquired or otherwise replaced on comparable terms to those existing options). Post merger the "new" Greencap shareholder base is expected to comprise approximately 28.5% existing Emerson Stewart shareholders and 71.5% existing Greencap shareholders.

The announcement noted that the board and senior executive management structure of the merged entity is intended to be four independent non-executive directors and three executive directors as follows:

CEO/Managing Director – Dario Amara (current Emerson Stewart MD/CEO)

Executive Director - Finance and Corporate – Jeffrey Broun (current Greencap MD)

Executive Director – Cameron Hunter (current Greencap group executive)

Non Executive Chairman – Steven Cole (current Emerson Stewart chairman)

Deputy Chairman – Stephen Belben (current Greencap chairman)

Non-Executive Directors – Andrew Gay (current Greencap NED) and David Richardson (current Emerson Stewart NED).

The Company will continue to advise the market of progress in relation to this merger.

Directors' Declaration

In accordance with a resolution of the directors of Greencap Limited, we state that:

(1) In the opinion of the directors:

(a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ending 30 June 2009.

On behalf of the Board

Jeffrey C Broun
Managing Director

Place: Perth, WA
Dated 29 September 2009

MOORE STEPHENS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENCAP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Greencap Limited (the company) and Greencap Limited and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been provided to the directors on the same date as this audit report.

Auditor's Opinion

In our opinion:

a. the financial report of Greencap Limited and Greencap Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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Report on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 31 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an option on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion
In our opinion, the Remuneration Report of Greencap Limited for the year ended 30 June 2009 complies with Section 300A of the *Corporations Act 2001*.

Neil Pace

NEIL PACE
PARTNER

Moore Stephens

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 29th day of September 2009.

Additional information required by the Australian Securities Exchange Limited for listed companies and not shown elsewhere in this report is as follows:

The following information is current as at 21 September 2009

(a) DISTRIBUTION OF EQUITY SECURITIES

	Ordinary shares	
Spread of holdings	Number of holders	Number of shares
1 – 1,000	551	109,347
1,001 – 5,000	149	415,870
5,001 – 10,000	84	706,969
10,001 – 100,000	344	15,076,803
100,001 and over	153	241,759,352
	1,281	258,068,341
The number of shareholders with holdings less than a marketable parcel of shares are:	649	304,750

(b) TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of equity securities are:

	Holders	Number of Ordinary Shares	Percentage Of Total
1	National Nominees Limited	35,939,114	13.9%
2	Ilintin Pty Ltd	26,015,616	10.1%
3	Howse Corporation Pty Ltd	24,937,500	9.7%
4	Blossomvale Investments PTE	10,625,000	4.1%
5	JP Morgan Nominees Pty Ltd	10,329,714	4.0%
6	Trinity Management Pty Ltd	10,042,458	3.9%
7	Bond Street Custodians Limited <Macquarie Smaller Co's A/C>	8,390,444	3.3%
8	Scott Bird	8,050,519	3.1%
9	Paul Addison	7,103,933	2.8%
10	Andrew Meerman	6,138,748	2.4%
11	GSPL Pty Ltd <Godfrey Spowers (WA) A/C>	6,037,890	2.3%
12	Lavender Pines Pty Ltd <The John Leeder A/C>	5,400,000	2.1%
13	Cogent Nominees Pty Ltd	5,034,628	2.0%
14	John Todd & Associates Pty Ltd <Dinwoodie Super Fund A/C>	4,375,000	1.7%
15	William Haylock	4,133,500	1.6%
16	ANZ Nominees Limited <Cash Income A/C>	3,996,998	1.5%
17	Envico Pty Ltd <Stavropoulos Family A/C>	3,600,000	1.4%
18	Vibeke Pty Ltd <WJH Super Fund A/C>	3,125,000	1.2%
19	Wayne Dettmann & Jeanette Dettmann <Dettmann Super Fund A/C>	2,563,026	1.0%
20	C Hunter & N Hunter <CB & NA Hunter Family No1 A/C>	2,450,054	0.9%
		188,289,142	73.0%

(c) SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Name	Number of shares
Ilintin Pty Ltd / N Arnold	25,967,859
Acorn Capital Limited	25,109,492
Howse Corporation Pty Ltd	24,937,500
Entrust Funds Management Limited and Entrust Private Wealth Management Pty Ltd	18,567,242
National Nominees <Australian Ethical Equities Trust>	15,693,600

(d) VOTING RIGHTS

No restrictions on ordinary shares of the Company. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote.

At 21 September 2009 there were 50,000 unlisted management and director options with an exercise price of $4.00 per ordinary share. There are no voting rights attached to the un-issued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

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