VIENTO
FUNDS MANAGEMENT

ABN 79 000 714 054

ANNUAL REPORT

2009

COMPANY INFORMATION

DIRECTORS

R C Nichevich – Executive Chairman
J S Diamond – Non-Executive Director
R E King – Non-Executive Director

COMPANY SECRETARY

P G Webse

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BANKERS

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West Perth WA 6005

National Australia Bank
330 Collins Street
Melbourne VIC 3000

SHARE REGISTRY

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STOCK EXCHANGE LISTING

Australian Stock Exchange (Code: VIE)

VIENTO
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Annual Report for the year ended 30 June 2009

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Chairman's Report

The Directors of Viento are intent on ensuring the Group is well capitalised, with an appropriate cost base and is positioned to take advantage of market conditions and new investment opportunities as they arise over the next year.

Dear Shareholder

The past year has been one of turmoil for this company as it has for most companies and businesses. As a result of the impact of the Global Financial Crisis the Board of Directors resolved to exit its alternative investment strategy to return our focus to property funds management.

Your Directors decided that there was not any appetite for alternative investment products, proposed to be added under the strategy approved in June 2008.

In November 2008, the then Board resolved to return the Company to its original business of being a Fund Manager in Direct Property. This change of direction was determined as a means of managing our existing portfolios and minimise the operating costs of the business.

As part of this restructure, the divisions other than Direct Property were closed and the offices in Brisbane and New Zealand were closed. Head office has been moved to Melbourne and staff concentrated in the one office. A small single room office is continuing in Perth to support the investments in that state. These changes have seen a significant reduction in costs and a total focus on the direct property business.

The Company is in a strong financial position with no debt, strong cash position and fee income at a level that will allow us to cover our costs.

These are volatile and uncertain times requiring a nimble and effective approach to management. We believe that the current team is capable, dedicated, enthusiastic and able to meet the challenges in front of us.

We are unable to predict the future results for the Company. We can assure investors in the Company that we are well capitalised and staffed to see the Company through the current turmoil and grow the Company once markets are settled.

We are indebted to our staff for working diligently to overcome the many challenges thrown at them over the past twelve months, and for their enthusiasm and support.

PERFORMANCE

The consolidated loss after tax for the year was $(8,460,000). Looking at this result on a before tax basis (a loss before tax of $7,530,000), the impact of write offs and the exit of developing a broader funds management business as one off items ($6,565,000) is apparent:

- A loss on disposal of $1,381,000 in relation to the exit of a 50% interest in the Kingscliff development project. The Group now has a 10% interest in the project. The investment is held for potential rezoning and development;
- A charge of $658,000 representing a full write off of costs relating to the establishment of new funds management products which did not eventuate;
- A write off of Loans to Associate Entities of $1,272,000 that were discontinued as a result of the decision to cease the development of a broader funds management business;
- A charge of $454,000 in termination benefits;
- An Impairment of Assets for $341,000 relating to the AXG Mining Ltd value of investment and employee share loans; and
- Deferred tax balances of $2,459,000 were expensed in the period, as they are only recognised to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, and the Group does not currently meet this test.

Although the underlying financial result for 30 June 2009 was impacted by one-off costs associated with the transition to new management, including redundancy payments and associated re-organisation costs, I believe we have now reduced the cost base of the business to an appropriate level on which to build a solid property funds management business.

DIVIDEND POLICY

As the financial result for the Group this year was a loss, the Directors are not in a position to declare a dividend. For the foreseeable future, the Directors intend to continue with the policy of retaining profits to ensure any capital requirements required as part of the growth and development of the organisation are prudently funded, rather than through acquiring debt.

ENVIRONMENT

The Group has within existing products, felt the impact of the turmoil in financial markets as a result of the global credit crisis, in relation to the appetite for investment products, valuation of the investments and the tightening of credit available to investors. Although the current market conditions are difficult, the Directors of Viento are intent on ensuring the Group is well positioned, with an appropriate cost base, to take advantage of market conditions and new investment opportunities as they arise in the future.

OUTLOOK

Given the current nature of investment markets and the difficulties in projecting the level of funds under management in both the unit trust and syndication markets, the Board is uncomfortable with offering earnings guidance or projecting earnings forecasts for the Group. The Board would like to reassure Shareholders that it will manage the business in the most efficient manner possible, prudently balancing risks with opportunities to maximise the long term growth and profitability of the Group.

Robert Nichevich
EXECUTIVE CHAIRMAN

INTRODUCTION

Viento Group Ltd is a boutique property fund manager with an eight year track record in property syndication and funds management with $280 million in assets currently under management.

The Company is focused entirely on direct property in the property funds management industry, offering syndicates and property funds holding commercial property and separately syndicates developing residential subdivisions.

The Global Financial Crisis has had a significant effect on all investment classes including property. A major impact has been the reduction in values as property capitalisation rates increase and vacancies increase.

Viento management is focusing on the protection of our Investors' capital through a hands-on pro-active process of property management. As the Australian and world economy improves, we would expect to see an improvement in property values and vacancy rates.

GROUP STRATEGY OVERVIEW

The 2008/2009 financial year has seen unprecedented volatility in the investment markets, with the bull market conditions enjoyed over the past decade coming to an end. As with many other property fund managers and listed entities, the changed investment climate and the realignment of global capital markets has impacted the Group.

After a detailed review of operations in the first half of the 2008/09 financial year, the Company went through a significant restructure with a consolidation of operating expenses across the board to strengthen its overall financial position.

Some of the significant restructure and consolidation activities implemented in the last twelve months include;

- The Group has ceased to operate the alternative investment asset class division, being Alternative Strategies, Real Estate Private Equity and Property Derivatives. Agreements were reached with our partners on the orderly disposal of each of the companies;
- Consolidation of office locations through the closure of the Brisbane and New Zealand offices, and relocating business critical corporate functions to the Melbourne Office; and
- Reduction of the Melbourne office space by approximately 50%.

During the past financial year, the Group's key activities remained focused on the management of our property related investment products. The property sector has been particularly affected with the dramatic repricing of many listed property investment vehicles.

I am pleased to confirm that our funds held an insignificant exposure to listed property securities and therefore have been relatively unaffected.

However the reduction in property values has seen a need to manage the debt exposures in our various Funds. The economic downturn is increasing vacancies and impacting the cash flow of some of our products. To manage this, distributions have been suspended in the Viento Diversified Property Fund and the New Enterprise Property Syndicate. Distributions are continuing from the Premiere and Metro Syndicates.

OPERATING RESULTS FOR THE YEAR

The consolidated loss of the Consolidated Group after providing for income tax amounted to $(8,460,000) (2008: loss of $2,178,000). Revenue for the year was $3,140,000 (2008: $9,289,000). The result was impacted by a number of significant transactions and write offs:

- A loss on disposal of $1,381,000 in relation to the exit of a 50% interest in the Kingscliff development project. The Group now has a 10% interest in the project. The investment is held for potential rezoning and development;
- A charge of $658,000 representing a full write off of costs relating to the establishment of new funds management products which did not eventuate;
- A write off of Loans to Associate Entities of $1,272,000 that were discontinued as a result of the decision to cease the development of a broader funds management business;
- A charge of $454,000 in termination benefits;
- An Impairment of Assets for $341,000 relating to the AXG Mining Ltd value of investment and employee share loans; and
- Deferred tax balances of $2,459,000 were expensed in the period as they are only recognised to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, and the Group does not currently meet this test.

Managing Director's Review of Operations

Our strategy is to protect investor's capital and develop our Viento Diversified Property Fund as a conservative, transparent direct property investment vehicle.

PROPERTY DIVISION

Overview

The 2009 financial year saw the consolidation of the Group's retail investor property funds management business following the transfer of syndicates to the Group's core offering in 2008 – the Viento Diversified Property Fund (VDPF).

In addition, the Group centralised the property funds management team in Melbourne from January 2009. A centralised team has provided cost savings, and synergies helping to contain and manage the issues that have arisen in the current financial environment.

A new Head of Funds Management was appointed in May 2009 and has the primary responsibility of driving the performance and growth of the Group's property funds management portfolio.

A range of investment strategies are now under development aimed at delivering investment products for investors in 2010.

As part of the Group's consolidation efforts, we have employed a full time leasing Executive to canvas new tenants and drive leasing initiatives to re-release any major vacancies across the portfolio. We are in the process of bringing some property management functions in house to gain greater control over the proactive management of the properties. These initiatives have already been successful in achieving new tenancies and improving the performance of some of the properties.

Our strategy is to protect investor's capital and develop our Viento Diversified Property Fund as a conservative, transparent direct property investment vehicle.

The property division is based in Melbourne and maintains a presence in Perth.

Viento Diversified Property Fund (VDPF)

Due to economic conditions the performance of the VDPF has been negatively impacted over the past year, with a total return over the past 12 months of (38.54%).

Weak market conditions have been reflected in the June 2009 property valuation with the gross assets under management decreasing by $44,368,000 to $145,629,000 including the disposal of the Summerhill Village Shopping Centre for $17,650,000.

Due to the uncertainty surrounding financial and property markets combined with negative investor's sentiment, the Manager suspended all applications and withdrawals from the Fund from October 2008. This included the suspension of both regular investments and reinvestment of distributions. As at the end of 2008/09 financial year, the suspension to application and withdrawals was still in place. We will continue to monitor market sentiment and intend to re-open the Fund once market conditions improve.

From November 2008, the Manager identified and implemented two initiatives to the Fund structure to assist with reducing costs and enhance returns. These included:

- Changing the payment of distributions from a monthly to a quarterly basis; and
- Changing the unit pricing of the Fund from daily to monthly unit pricing calculations.

The Directors of Viento Property Ltd made the very difficult decision to suspend Fund distributions for the April – June 2009 quarter and for the 2009/10 financial year in order to maintain cash reserves, which will allow the Fund to continue to;

- Provide funds for leasing incentives;
- Provide funds for essential capital works; and
- Pay down debt thus mitigating the impact of declining property values.

Our primary objective for the Fund is to preserve investors' capital and improve the performance of the Fund and we have implemented the following initiatives to achieve our goals:

- Entered into a new debt facility to reduce interest rates;
- Implemented an aggressive leasing strategy to address changing market conditions targeting tenants who are seeking price sensitive or cost driving leasing options;
- Implemented an in-house leasing initiative;
- Reduced arrears by implementing an improved program of pursuing tenant arrears;
- Prudently manage the cash flow for the Fund through the implementation of a strict regime to manage and control property operating expenses; and
- Limit capital expenditure to leasing incentives that guarantee income, plant and equipment lifecycle costs, mandatory occupational health and safety matters and compliance requirements.

In addition to the above, we are currently considering the opportunity to dispose of some smaller assets that might appeal to private investors should the offer provide value to the Fund and unitholders.

The Fund comprises 11 assets, with a broad geographic coverage across 5 states, predominantly in retail and commercial property sectors.

Property Investment Syndicates

The Group currently administers 3 property syndicates and 2 property subdivision syndicates.

In May 2009, the Première Property Syndicate was due to expire. We were of the opinion that to sell the properties in what is a depressed and oversupplied market, would not be in the best interest of unitholders. Therefore Viento recommended an extension of the Syndicate term for a further two years by way of special resolution, to allow for market conditions to stabilise and valuation fundamentals to return.

Unitholders voted in favour of the resolution and the Première Property Syndicate has been extended until 25 May 2011.

The Metro Property Syndicate is due to expire on 22 October 2009. Viento will be recommending to unitholders an extension of the syndicate term to allow for market conditions to stabilise and provide more potential for the properties to achieve acceptable values when offered for sale.

Both the Metro Property Syndicate and the Première Property Syndicate are performing within expectations.

Due to a major vacancy at one of the properties in the New Enterprise Property Syndicate, distributions from the Syndicate were suspended from the January – March quarter 2009. Distributions from the Syndicate will be reviewed upon securing new tenants for this property.

Property Subdivision Syndicates

Viento Property Ltd is also responsible entity of two property subdivision syndicates – Southern River Syndicate and Henley Brook Syndicate. Each syndicate aims to deliver returns to investors that are commensurate with development risk.

For both Syndicates, capital is progressively returned to syndicate investors over the life of the subdivision project. Viento will receive fees based on a percentage of the sale values of the new lots sold. Consistent with the nature of each subdivision project, the majority of the returns are expected to flow through in the later years of the project, as lot sales are achieved and settled.

Since the end of the year we have obtained development approval for both projects. We are intending to commence development this year. The development will provide management fees for the Company from sales of lots.

We recently reforecast the total return for Southern River Syndicate unitholders, taking into consideration current economic conditions, recent valuation and delays experienced in achieving final subdivision approval.

The estimated forecast Internal Rate of Return (IRR) for the Southern River Syndicate ordinary and bonus unitholders is 12.3% per annum over the life of the Syndicate, this being less than the PDS forecast of 19.7%.

The estimated forecast Internal Rate of Return (IRR) for the Southern River Syndicate Supplementary unitholders is 7.5% per annum over the life of the Syndicate, this being less than the original forecast of 19.8%.

The overall profit of the project is similar to the PDS forecast, however the two year delay to achieve development approval has impacted the IRR.

The Henley Brook IRR is still in line with the PDS forecast despite a similar two year delay.

FORESTRY DIVISION

Viento continues to hold interests in forestry investment products that the Group marketed in earlier years, and to manage the interests of investors who hold such interests. The Group has not marketed forestry investment products since June 2003.

The Consolidated Group's interest in trees was subject to an independent revaluation at 30 June 2009, resulting in a revaluation decrement of $47,000 (2008: increment of $102,000). Further trees were acquired during the year as a result of an investor going bankrupt and the Group holding the trees as security.

The value of the trees at 30 June 2009 was $1,725,000 (2008: $1,649,000).

The forestry investments of the Group reside on Kangaroo Island, along with other agriculture investment companies including Great Southern Ltd who during the year appointed administrators. The value of our investments may be affected by the issues at Great Southern Ltd which are yet to be resolved.

The investments have been valued assuming that an export facility will be constructed on Kangaroo Island prior to the scheduled harvest in 2015. We believe Kangaroo Island has tree plantations significant enough to support a commercially viable export facility.

Without the development of an export facility the value of the trees is considered negligible.

There are an estimated 17,500 hectares of plantations of both Tasmanian Blue Gums (14,000) and Pine (3,500). These plantations are estimated to produce over 3 million cubic metres of wood chips over a ten year period. The value per annum of this production is estimated to be $30m.

Over the period since the Company first planted Tasmanian blue gums on the island, annual growth has been in the range of 18 to 25 mean annual increment per cubic metre representing a commercially sustainable growth rate.

Significantly these growth rates are in the top quartile of growth rates around Australia.

The Directors believe that the existing plantations and the good growth of the plantations make a strong case for a commercial wood chipping operation to be developed on the Island.

EXPLORATION DIVISION

Viento Group's wholly owned subsidiary, Constance Range Pty Ltd (CRPL) is the holder of a 70% joint venture interest in the Constance Range iron ore exploration project in North West Queensland.

A recent valuation of the project was completed valuing the asset at $1.5m, whilst it is in the financial statements at nil value. The asset comprises 310mt of hematite ore grading 51%Fe. The project is joint ventured with all costs borne by the joint venturer.

The Board is assessing various means of returning value for this asset to Shareholders.

COMPLIANCE

There were no significant compliance breaches reported to ASIC for the VDPF and the 5 property syndicates during the year. This reflects the continued strong compliance culture at Viento.

The Compliance Committee for Viento Property Ltd, comprised a majority of independent members and it met four times during the year. The compliance plan auditors successfully completed their audit of plans for the VDPF and the 5 property syndicates.

During the year, the Company appointed an external consultant, Sharman Grant, to assume the risk and compliance responsibilities after the transition of the head office from Brisbane to Melbourne. Sharman Grant has a broad range of legal experience in corporate law and financial services law, with particular expertise in government law. Sharman worked for ASIC in the policy area and later in the commercial regulatory team carrying out commercial and enforcement legal work and finally worked as senior executive responsible for implementing the Financial Services regime legislation. Sharman has extensive experience in implementing compliance and risk management arrangements for AFS licensees.

The Group's compliance regime and risk management systems aim to ensure the business continues to have a strong regulatory focus to benefit all stakeholders.

The focus for the next year will be to incorporate all changes to regulatory requirements into our Product Disclosure Statements, for existing and new products, in particular ASIC RG 46 disclosure.

FINANCIAL POSITION

The net assets of the Consolidated Group have decreased from $15.247 million at 30 June 2008 to $8.881 million at 30 June 2009.

The cash position of $3.1 million has reduced when compared to that of the previous year ($4.9 million). Current trade and other receivables are $1.5 million with non-current trade and other receivables at $2.2 million. Trade and other payables are $0.7 million.

The Directors believe that Viento Group will continue to grow revenue streams from new and existing funds under management, from the continuing operation and development of the Company's businesses, strategies and investments.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Company has a strong base of approximately $280 million in funds under management, predominately in property, with an open ended unlisted retail investor property fund – the VDPF – as the Group's core retail investor offering, an established retail investor distribution network and an adequate Balance Sheet.

The focus of the Executive team for the year to 30 June 2010, with the singular strategic vision of building funds under management, is:

- to stabilise the VDPF portfolio of 11 properties and look for opportunities to create or realise value for unitholders, and to be in a position to move forward with opportunities which may become available due to the current unsettled property market conditions;
- to review the domestic property sector to identify particular areas for growth where the Group can deliver a pipeline of investment product for both retail and institutional investors; and
- consider all other opportunities in the direct property funds management sector.

Your Directors present their report on Viento Group Ltd and its controlled entities for the financial year ended 30 June 2009.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Mr R C Nichevich

Mr J S Diamond

Mr R E King

Mr M R Gordon (resigned 4 December 2008)

Mr I D Kent (resigned 31 December 2008)

Mr M R Kluge (resigned 16 April 2009)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

The Company Secretary is Mr P G Webse B.Bus, FCIS, FCPA. Mr Webse was appointed to the position of Company Secretary of Viento Group Ltd in March 2003. He has over 19 years experience in similar company secretarial roles with listed companies, including over 15 years experience in the funds management industry. He is a consulting Company Secretary and provides services to a number of listed and unlisted companies.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Group during the financial year were:

- Development, marketing and management of property investment products; and
- The ongoing management of agribusiness investment products.

The following significant changes in the nature of the principal activities occurred during the financial year:

- A decision to discontinue the Group's strategic broadening and repositioning of the core business activities into other investment classes. The new focus of the Group is to develop, market and manage property investment products.

There were no other significant changes in the nature of the Consolidated Group's principal activities during the financial year.

OPERATING RESULTS

The consolidated loss of the Consolidated Group after providing for income tax amounted to $8,460,000 (2008: loss of $2,178,000). The result was impacted by a number of one off items, including loss on disposal of its 50% interest in the Kingscliff Land investment of $1,381,000. The Group has reduced its exposure to 10% of this investment. A further $658,000 was written off on the establishment costs of products that did not proceed to market and $1,272,000 in the write down in Loans to Associates on winding down the exposure to other investment classes. Impairment of Assets and Bad and Doubtful Debts contributed a further $362,000 to the Group's consolidated loss. Revenue for the year was $3,140,000 (2008: $9,289,000).

DIVIDENDS

No recommendation has been made for payment of a dividend for the year ended 30 June 2009.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The significant changes in the state of affairs of the Consolidated Group during the financial year were as follows:

i. On 31 December 2008 the Company issued 4,201,120 ordinary fully paid shares following the conversion of 4,201,120 70 cent convertible notes;

ii. In January 2009 the Company revised its strategy to focus on its core business of property funds management. This change in strategy involved closing the Brisbane and New Zealand offices, transferring the head office to Melbourne, ceasing to fund the two 50% owned alternative asset businesses, Viento Global Property Pty Ltd and Convex Alternative Strategies Pty Ltd and significantly reducing costs; and

iii. On 16 April 2009, the Company cancelled 4,500,000 partly paid shares, paid to $0.01 per share, bought back 5,000,000 ordinary fully paid shares for a total consideration of $1.00 and cancelled 23,100,000 options, pursuant to Shareholder approval granted on 8 April 2009.

Changes in controlled entities:

i. On 31 December 2008, the Company acquired a further 12.5% of the issued capital of Convex Alternative Strategies Pty Ltd, taking its holding to 62.5%;

ii. On 31 December 2008, the Company acquired the other 50% of the issued capital of Viento Global Property Pty Ltd, takings its holding to 100%;

iii. On 27 April 2009 Viento Mortgages Pty Ltd and Viento Meta Growth Pty Ltd were deregistered. On 3 May 2009 Viento Investment Pty Ltd was deregistered. On 6 May 2009 Viento Management Pty Ltd was deregistered.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Group, the results of those operations or the state of affairs of the Consolidated Group in future financial years.

FUTURE DEVELOPMENTS

There are no further likely developments of, which the Directors are aware which could be expected to affect the results of the Company's and the Consolidated Group's operations in future years.

ENVIRONMENTAL ISSUES

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

INFORMATION ON DIRECTORS

Mr R C Nichevich	**Executive Chairman**, age 61
Qualifications	FCA, FAICD
Experience	Director since November 1987. Mr Nichevich has held the positions of Managing Director from 1992 to July 2007, Executive Chairman from November 2005 to November 2007, Non-Executive Director from November 2007 to December 2008 and has been re-appointed as Executive Chairman since December 2008. Mr Nichevich is a Chartered Accountant with extensive financial management experience and a twenty-year track record of working for the Group, transitioning the business from its beginnings in mining and exploration to its growth into property funds management.
Interest in Shares & Options	10,860,000 ordinary shares
Directorships held in other listed entities	Former Non-Executive chairman of Gulfx Ltd (from 3 March 2000 to 28 May 2007). Mr Nichevich has not served as a Director of any other listed companies, other than that noted, as at the reporting date or in the past three years.
Mr J S Diamond	**Director (Independent Non-Executive)**, age 54
Qualifications	BA, Grad Dip Ed, Grad Dip Career Ed, Grad Dip Lab/Mgt Relations
Experience	Director since August 2005. Mr Diamond has over 21 years of funds management experience holding numerous advisory and management roles within various investment management firms. He is currently Managing Director of his own firm, Diamond Consulting (Vic) Pty Ltd, and is a Director of the Victorian Funds Management Corporation, which provides fund and investment management services to the Victorian public sector and is also a Director of Industry Fund Services Pty Ltd. Previous Directorships include Ansett Airline Superannuation Funds, Super Member Home Loans, Government Superannuation Office (GSO) and Emergency Services Superannuation Scheme, since the merger with GSO in December 2005. He also held a Directorship at the responsible entity investment management company of Octavier Investment Management.
Interest in Shares & Options	20,700 ordinary shares and options to acquire a further 300,000 ordinary shares.
Directorships held in other listed entities	Mr Diamond has no other Directorships in any other listed companies as at the reporting date or in the past three years.
Mr R E King	**Director (Independent Non-Executive)**, age 57
Qualifications	B.Ec (Hons)
Experience	Director since November 2007. Mr King has spent 16 years in the financial services industry in a range of investment advisory roles and a further 20 years in senior economist roles with various public sector entities. He is currently Managing Director of Sovereign Investment Management providing specialist investment advice and management consulting work to institutional investors on alternative asset classes and investments. Prior to this role, Mr King was manager of asset consulting services at Towers Perrin before moving to Head of Wholesale Business at Industry Fund Services, where he managed the investment advisory services to a range of major industry superannuation funds and several corporate and public sector superannuation funds and authorities. Mr King commenced his career in market research with Broken Hill Proprietary Co Ltd, before moving into a principal economist role with Australia Post. He was then appointed to chief economist roles at both Telecom Australia and the State Electricity Commission of VIC, before becoming Director of financial policy and operations for the Victorian State Department of Management and Budget/Treasury.
Interest in Shares & Options	100,000 ordinary shares and options to acquire a further 300,000 ordinary shares.
Directorships held in other listed entities	Mr King has no other Directorships in any other listed companies as at the reporting date or in the past three years.

REMUNERATION REPORT

This report details the nature and amount of remuneration for the Key Management Personnel of Viento Group Ltd. Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group. Key management personnel comprise the Directors and Executives of the Company, including the Executives receiving the highest remuneration.

Remuneration Policy

The remuneration policy of Viento Group Ltd has been designed to align Key Management Personnel objectives with Shareholder and business objectives by providing a fixed remuneration component and offering specific short-term and, in certain circumstances, long-term incentives based on key performance areas, affecting the Consolidated Group's financial results. The Board of Viento Group Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Key Management Personnel to run and manage the Consolidated Group, as well as create goal congruence between Directors, Executives and Shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior Executives of the Consolidated Group is as follows:

- The performance of Key Management Personnel is measured against criteria agreed biannually with each key management person and is based on a combination of personal and corporate performance objectives.
- All bonuses and incentives must be linked to predetermined performance criteria.
- The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria.

The policy is designed to attract the highest calibre of Executives.

Key management personnel may be entitled to participate in share and option arrangements as determined by the Board from time to time.

The Key Management Personnel receive a superannuation guarantee contribution as required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to Key Management Personnel is valued at the cost to the Company and expensed. Shares and options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Executive Directors determine payments to the Non-Executive Directors and review their remuneration as required, based on market practice, duties and accountability. Independent advice is sought when required. The maximum total remuneration limit for Non-Executive Directors was set at $450,000 per annum at the 2007 Annual General Meeting and Non-Executive fees currently total $100,000 per annum. The Directors are encouraged to hold shares in the Company.

Fixed Remuneration

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

Remuneration levels are reviewed annually through a process that considers individual, segment and overall performance of the Consolidated Group. In addition, external consultants provide analysis and advice to ensure Key Management Personnel's remuneration is competitive in the market place. A key management person's remuneration is also reviewed on promotion.

Performance Based Remuneration

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

Short-Term Incentive Bonuses

Each year Key Performance Indicators (KPIs) are set for the Key Management Personnel. The KPIs generally include a combination of measures relating to personal performance, the performance of the Consolidated Group and the performance of the relevant segment. The split of KPI's between personal performance, the performance of the Consolidated Group and or the performance of a segment, depend on the nature of the role of the Key Management Personnel. Those Key Management Personnel who have responsibility for the management of a segment, will have their KPIs aligned to the performance of the segment, while those who have responsibility for administrative functions will have their KPIs aligned to personal performance as well as the performance of the Consolidated Group.

REMUNERATION REPORT (CONT.)

Performance Based Remuneration (cont.)

Long-Term Incentives

Long-term incentives are offered by the Board of Viento Group Ltd to Key Management Personnel on a case by case basis. The Company does not have an established Share Option Plan.

In December 2004 and November 2005, Shareholder approval was obtained for specific Share Incentive Plans for Key Management Personnel. Refer to Note 5 of the attached financial statements for details of the Share Incentive Plans and Note 10 for loans to Directors and Executives.

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

The Company performance element of short-term incentive bonuses, is calculated in reference to the net profit of the Group. As noted in the table below, the Group made a loss in the current year. As a result, no payments were made under this element of the incentive plans.

	2005	2006	2007	2008	2009
Revenue	$15.8m	$13.1m	$6.9m	$9.3m	$3.1m
Net Profit/(Loss)	$2.9m	$(1.2m)	$0.2m	$(2.2m)	$(8.5m)
Share Price at Year End	$0.380	$0.495	$0.430	$0.200	$0.10
Dividends Paid	2 cents	4 cents	-	-	-
Earnings Per Share	9.12	(2.75)	.53	(4.65)	(16.04)

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Group is as follows:

The remuneration structure for Key Management Personnel is based on a number of factors, including length of service, particular experience of the individual concerned, market conditions and the overall performance of the Group. The contracts for service between the Company and Key Management Personnel are on a continuing basis, the terms of which are not expected to substantially change in the immediate future. Any options not vested on the termination date lapse.

The Group seeks to emphasise payment for results through providing various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of profit and personal performance targets. The bonuses included on page 12, are based on the combination of these targets. No bonuses were paid in relation to the achievement of profit component for the 2008 or 2009 financial years.

The employment conditions of the Key Management Personnel are formalised in contracts of employment. Details of the Key Management Personnel employment contracts are set out on page 15.

The Board determines the proportion of fixed and variable compensation for each of the Key Management Personnel.

REMUNERATION REPORT (CONT.)

Key Management Personnel Remuneration

The remuneration for Key Management Personnel of the Consolidated Group during the year was as follows:

2009	Primary			Superannuation		Share Based Payment			
Key Management Person	Salaries & Fees $	Cash Bonus $	Non-cash Benefits $	Contributions $	Termination Benefits $	Options $	Share Incentive Plan $	Total $	Performance Related
Directors									
Mr R C Nichevich - Executive Chairman [1]	253,354	-	1,892	1,720	-	-	-	256,966	-
Mr J S Diamond	45,872	-	-	4,128	-	8,828	-	58,828	15.0%
Mr R E King	45,872	-	-	4,128	-	2,610	-	52,610	5.0%
Mr I D Kent [2]	22,936	-	-	2,064	-	-	-	25,000	-
Mr M R Gordon [3]	19,607	-	-	1,765	-	-	-	21,372	-
Mr M R Kluge [4]	204,782	-	3,087	8,795	18,939	868,089	-	1,103,692	191.7%
	592,423	-	4,979	22,600	18,939	879,527	-	1,518,468	
Executives									
Mr P G Webse	145,612	-	64	-	-	1,275	-	146,951	0.9%
Mr K J Murphy [5]	21,503	-	601	-	-	-	-	22,104	-
Mr D R Wright	134,939	-	6,267	12,145	-	-	-	153,351	-
Ms R L Pope	119,266	2,500	6,267	10,959	-	-	-	138,992	1.8%
Mr A Micelotta [6]	178,296	25,000	6,007	11,849	10,098	(7,443)	-	223,807	7.8%
Ms S A Barrett [7]	84,858	-	2,691	5,380	323,786	-	-	416,715	-
Mr F L Connolly [8]	159,718	-	176	9,737	7,375	-	-	177,006	-
Mr K W Mumford [9]	88,070	-	129	7,542	15,391	-	-	111,132	-
	932,262	27,500	22,202	57,612	356,650	(6,168)	-	1,390,058	
	1,524,685	27,500	27,181	80,212	375,589	873,359	-	2,908,526	

1 Mr Nichevich was appointed Executive Chairman on 9 December 2008.

2 Mr Kent resigned as a Director effective 31 December 2008.

3 Mr Gordon resigned as a Director on 4 December 2008.

4 Mr Kluge resigned as a Director on 16 April 2009.

5 Mr Murphy commenced as Head of Funds Management on 27 May 2009. Mr Murphy's private company has been contracted to provide consultancy services to Viento Group Ltd from 27 May 2009.

6 Mr Micelotta resigned effective 3 June 2009 however is still receiving a consulting fee of $24,000 p.a..

7 Ms Barrett resigned effective 14 November 2008 however is still receiving a consulting fee of $20,000 p.a..

8 Mr Connolly was made redundant on 6 March 2009.

9 Mr Mumford was made redundant on 16 January 2009.

REMUNERATION REPORT (CONT.)

2008	Primary			Superannuation		Share Based Payment			
Key Management Person	Salaries & Fees $	Cash Bonus $	Non-cash Benefits $	Contributions $	Termination Benefits $	Options $	Share Incentive Plan $	Total $	Performance Related
Directors									
Mr M R Gordon – Non-Executive Chairman	45,872	-	-	4,128	-	-	-	50,000	-
Mr M R Kluge – Managing Director [1]	308,798	-	3,895	12,035	-	492,499	-	817,227	60.3%
Mr R C Nichevich [2]	163,913	-	4,136	2,752	480,000	-	-	650,801	-
Mr J S Diamond	45,872	-	-	4,128	-	16,928	-	66,928	25.3%
Mr I D Kent	45,872	-	-	4,128	-	-	-	50,000	-
Mr R E King [3]	27,111	-	-	2,440	-	1,159	-	30,710	3.8%
	637,438	-	8,031	29,611	480,000	510,586	-	1,665,666	
Executives									
Ms S A Barrett	213,591	25,000	6,279	13,129	-	-	-	257,999	9.7%
Mr A Micelotta	236,871	22,500	6,057	13,129	-	7,443	-	286,000	10.5%
Mr F L Connolly [4]	21,730	-	-	1,368	-	-	-	23,098	-
Mr K W Mumford [5]	76,162	10,000	-	6,255	-	-	-	92,417	10.8%
Mr P G Webse [6]	162,740	5,616	4,571	9,847	180,277	2,495	-	365,546	2.2%
Mr C J Carey [7]	103,314	4,649	3,901	9,717	185,979	-	-	307,560	1.5%
	814,408	67,765	20,808	53,445	366,256	9,938	-	1,332,620	
	1,451,846	67,765	28,839	83,056	846,256	520,524	-	2,998,286	

1 Mr Kluge was appointed Managing Director on 1 August 2007.

2 Mr Nichevich ceased as the Executive Chairman in November 2007. The Service Agreement between Koy Pty Ltd and Viento Group Ltd was terminated effective 31 October 2007 with Koy Pty Ltd receiving a termination payment of $480,000, payable in 12 monthly installments starting 1 November 2007.

3 Mr King was appointed as a Non-Executive Director on 29 November 2007.

4 Mr Connolly commenced as Chief Financial Officer from 26 May 2008.

5 Mr Mumford commenced as Head of Risk Management and Compliance on 14 January 2008.

6 Mr Webse, Chief Financial Officer and Company Secretary, was made redundant on 31 March 2008. Mr Webse's CPA Public Practice business has been contracted to provide company secretarial services to Viento Group Ltd from April 2008.

7 Mr Carey was made redundant on 31 March 2008.

REMUNERATION REPORT (CONT.)

Performance Income as a Proportion of Total Remuneration

Key management personnel are paid bonuses based on proportions of their salary and, in some cases, based on the profitability of individual business units. This has led to the proportions of remuneration related to performance varying between individuals, depending on their role within the organisation.

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

Options Issued as Part of Remuneration for the Year Ended 30 June 2009

During the financial year, the Company has granted options, for no consideration, over unissued ordinary shares in Viento Group Ltd to the following Key Management Personnel as part of their remuneration:

Key Management Personnel	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date	Exercise Price	First Exercise Date	Last Exercise Date
Mr F L Connolly	-	166,666	11/09/08	$0.0496	$0.85	15/09/09	15/12/11
Mr F L Connolly	-	166,667	11/09/08	$0.0452	$1.00	15/09/10	15/12/11
Mr F L Connolly	-	166,667	11/09/08	$0.0416	$1.15	15/09/11	15/12/11
	-	500,000					

The options issued above are not issued based on performance criteria, but are issued to increase goal congruence between Key Management Personnel. All options were granted for nil consideration. The options vest on the first exercise date set out above.

Key Management Personnel	Options Granted as Part of Remuneration $	Total Remuneration Represented by Options %	Options Exercised $	Options Lapsed $	Options Forfeited $	Total $
Mr M R Kluge	868,089	78.7%	-	-	-	868,089
Mr J S Diamond	8,828	15.0%	-	-	-	8,828
Mr R E King	2,610	5.0%	-	-	-	2,610
Mr A Micelotta	-	-	-	-	(7,443)	(7,443)
Mr P G Webse	1,275	0.9%	-	-	-	1,275
Mr F L Connolly[1]	-	-	-	-	-	-
	880,802		-	-	(7,443)	873,359

[1] Mr Connolly was granted options during the year, however they were forfeited upon his redundancy on 6 March 2009.

The plan rules contain a restriction on removing the 'at risk' aspect of the instruments granted to Executives. Plan participants may not enter into any transaction designed to remove the 'at risk' aspect of an instrument before it vests.

Shares Issued on Exercise of Compensation Options

There were no options exercised during the year that were granted as compensation in prior periods.

REMUNERATION REPORT (CONT.)

Employment Contracts of Key Management Personnel

Remuneration and other terms of employment for Key Management Personnel employed at 30 June 2009 are formalised in employment or consultancy contracts. The major provisions of the contracts are set out below:

Mr R C Nichevich, Executive Chairman

- Service Agreement with Koy Pty Ltd.
- Term of Agreement – Commenced 1 June 2009 for 2 years.
- Base fee of $300,000 per annum.
- Additional fee of $150,000 if the Company achieves the 2010 Target. The 2010 target is a pre-determined audited operating profit before tax for the financial year ended 30 June 2010 and the achievement of an average daily share price of 20 cents for the 3 month period to 30 May 2010.
- Additional fee of $150,000 if the Company achieves the 2011 Target. The 2011 Target means the Company achieving an operating profit before tax at levels and a share price both at level for the financial year ended 30 June 2011, or failing agreement between the parties by 31 March 2010, the Company achieving a pre-determined audited operating profit before tax for the financial year ended 30 June 2011 and the achievement of an average daily share price of 30 cents for the 3 month period to 30 May 2011.
- If the Company terminates the Agreement before the first anniversary of the commencement date, the Company must pay the 2010 Bonus whether or not the Company achieves the 2010 Target or on or after the first anniversary of the commencement dated and before the second anniversary of the commencement date the Company must pay the 2010 Bonus only if the Company achieves the 2010 Target; and the Company must pay the 2011 Bonus whether or not the 2011 Target is achieved.
- If the Company terminates the Agreement in either of the circumstances outlined above the Company must pay Koy a termination payment of $150,000.

Mr K J Murphy, Head of Funds Management

- Service Agreement with Victorias Best Company Pty Ltd.
- Term of Agreement – Commenced 27 May 2009 until 30 November 2009.
- Base fee of $234,780 per annum.

Mr D R Wright, Chief Accountant

- Term of Agreement – Commenced 14 March 2007 until termination.
- The annual base salary for the year ended 30 June 2009 was $147,000, inclusive of statutory superannuation.
- Incentive payment of up to 7% of salary dependant on performance and 3% related to company profits.
- Payment in lieu of notice on early termination by employer, other than for gross misconduct, equal to 6 weeks base salary.
- Three months termination in the event that there is a change of control of the Company and the position is made redundant.

Ms R L Pope, Head of Marketing and Communications

- Term of Agreement – Commenced 4 April 2005 until termination.
- The annual base salary for the year ended 30 June 2009 was $130,000, inclusive of statutory superannuation.
- Incentive payment of up to 17% of salary dependant on performance and 3% related to company profits.
- Payment in lieu of notice on early termination by employer, other than for gross misconduct, equal to one months base salary. In addition to this one weeks base salary for each completed year of service up to a maximum of 2 months salary.
- Three months termination in the event that there is a change of control of the Company and the position is made redundant.

Ms P G Webse, Company Secretary

- Consultancy Agreement with Platinum Corporate Secretariat Pty Ltd, a CPA Public Practice Business for the provision of Mr Webse's services as Company Secretary.
- Terms of Agreement – Commence 1 May 2009 until termination. Agreement can be terminated by giving three months notice.
- Base fee of $50,000 per annum.

MEETINGS OF DIRECTORS

During the financial year, 14 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number Eligible to Attend	Number Attended
R C Nichevich	14	14
J S Diamond	14	11
R E King	14	14
M R Gordon	6	6
I D Kent	8	7
M R Kluge	12	10

The Company does not currently have any separate committees due to the current size and composition of the Board. Refer to the Corporate Governance Policy for further details.

INSURANCE OF DIRECTORS AND OFFICERS

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

INDEMNIFYING DIRECTORS AND OFFICERS

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

OPTIONS

At the date of this report, the unissued ordinary shares of Viento Group Ltd under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
28 November 2007	28 February 2011	$0.85	100,000
28 November 2007	28 February 2011	$1.00	100,000
28 November 2007	28 February 2011	$1.15	100,000
28 March 2008	28 February 2011	$0.85	200,000
28 March 2008	28 February 2011	$1.00	200,000
28 March 2008	28 February 2011	$1.15	200,000
			900,000

During the year ended 30 June 2009, no ordinary shares of Viento Group Ltd were issued on the exercise of options previously granted. No shares have been issued as a result of the exercise of options since that date. No amounts are unpaid on any of the shares.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

NON-AUDIT SERVICES

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

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

The following fees for non-audit services paid or payable to the external auditors for the year ended 30 June 2009:

Accounting advisory services	-
Attendance at Annual General Meeting	-
	-

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration for the year ended 30 June 2009 has been received and can be found on page 17 of the Directors' Report.

ROUNDING OF AMOUNTS

The Company is an entity to which ASIC Class Order 98/100 applies. 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.

R E King
Director

Dated this 31st day of August 2009
Melbourne, Victoria

PRICEWATERHOUSECOOPERS

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Auditor's Independence Declaration

As lead auditor for the audit of Viento Group Ltd for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of 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.

This declaration is in respect of Viento Group Ltd and its consolidated entities during the period.

Timothy J Allman
Pricewaterhouse Coopers

1 September 2009

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Viento Group Ltd is responsible for the corporate governance of the consolidated Group. The Board guides and monitors the business and affairs of Viento Group Ltd on behalf of the Shareholders by whom they are elected and to whom they are accountable.

The principal features of Viento Group Ltd's corporate governance regime and compliance with the ASX Corporate Governance Principles and Recommendations are set out in this Corporate Governance Statement. For further information on corporate governance matters adopted by Viento Group Ltd, refer to our website: www.vientogroup.com.

Board of Directors

The Board is accountable to Shareholders for the performance of Viento Group Ltd.

Roles and Functions of the Board and Senior Management

(ASX Corporate Governance Principles and Recommendations: 1.1, 2.3)

During the financial year the Company did not comply with *Recommendation 2.3. The roles of the chairperson and chief Executive officer should not be exercised by the same individual* for the reasons set out below.

The role of the Chairman and Chief Executive Officer were not exercised by the same individual for the period from 1 July 2008 to 16 April 2009. The roles of Chairman and Chief Executive Officer have been exercised by the same individual, Mr R C Nichevich, from 16 April 2009 onwards. In light of the global economic crisis and in order to reduce costs and preserve the Company's cash position, the Board appointed the Chairman to also provide operational management to the Company. The Board does not expect to appoint a Chief Executive Officer in the near term.

The Executive Chairman's responsibilities as Chief Executive Officer include the overall operational, business management and financial performance of Viento Group Ltd, whilst also managing the Group in accordance with the strategy, plans and policies approved by the Board to achieve agreed goals.

The Board has adopted a charter that sets out the functions and responsibilities of the Board within governance structure of Viento Group Ltd and its subsidiaries. The conduct of the Board is also governed by the Company's Constitution.

The primary responsibilities of the Board are to:

- Validate and approve corporate strategy, the annual budget and financial plans;
- Appoint and assess the performance of the Executive Chairman and oversee succession plans for senior Executives;
- Establish appropriate levels of delegation to the Executive Chairman;
- Monitor the performance of senior management and implementation of strategy and ensure that appropriate resources are available;
- Approve key Executive appointments and review and approve Executive remuneration;
- Monitor Board composition, Director selection and Board processes and performance;
- Oversee the Company and Group including review and ratification of systems of risk management, internal compliance and control, codes of conduct and legal compliance;
- Approve and monitor financial and other reporting;
- Monitor and influence the culture, reputation and ethical standards of the Company and Group; and
- Report to and communicate with Shareholders.

Senior Executives reporting to the Executive Chairman have their roles and responsibilities defined in position descriptions.

Viento Group Ltd's Board Charter is available on its website.

CORPORATE GOVERNANCE STATEMENT (CONT.)

Board Composition and Size

(ASX Corporate Governance Principles and Recommendations: 2.1, 2.2, 2.6)

During the financial year ended 30 June 2009, the Viento Group Ltd Board comprised the following Directors:

Name	Position	First Appointed
Robert Nichevich	Executive Chairman, from 9 December 2009, and Chief Executive Officer, from 16 April 2009.	1987
Jack Diamond	Independent Non-Executive Director	2005
Ray King	Independent Non-Executive Director	2007
Michael Gordon	Non-Executive Chairman, resigned 4 December 2008	2006
Ian Kent	Independent Non-Executive Director, resigned 31 December 2008	2004
Maurice Kluge	Managing Director, resigned 16 April 2009	2007

The Directors determine the size of the Board, with reference to the Constitution and Viento Group Ltd's Board Charter, which provides there will be a minimum of three Directors and a maximum of 15 Directors. However, it is the current intention of the Board to limit the maximum number of Directors to no more than six.

The Directors are satisfied that the structure of the Board is appropriate for the size of the Company, the nature of its operations and its current financial standing. The structure and composition of the Board is subject to ongoing review.

For information on the skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed in the Directors' report.

Details of the number of Board meetings and the attendance of Directors are detailed in the Directors' report.

During the financial year the Company did not comply with *Recommendation 2.1: A majority of the Board should be independent Directors, Recommendation 2.2: The chairperson should be an independent Director,* for the reasons set out below.

The Board was comprised of a majority of independent Directors for the period from 4 December 2008 to 31 December 2008 and subsequently from 16 April 2009. The independent Directors are Mr J S Diamond and Mr R E King. Mr R C Nichevich, the Executive Chairman of the Company, is the other Director. The Board considers Messrs Diamond and King to be independent as they are Non-Executive Directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with the independent exercise of their judgement.

Mr M R Gordon was the Non-Executive chairman of the Company until his resignation on 4 December 2008. He was not considered independent due to his substantial shareholding in the Company. Mr R C Nichevich assumed the role of Executive Chairman from 9 December 2008.

No member of the Board may serve for more than three years or past the third Annual General Meeting following their appointment, whichever is the longer, without being re-elected by the Shareholders. Prior to the Board proposing re-election of Non-Executive Directors, their performance will be evaluated by the Board to ensure that they continue to contribute effectively to the Board. Nominations for appointment to the Board are considered by the Directors as a whole and with the objective to ensure that the Board comprises Directors with a mix of qualifications, experience and expertise, which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to Shareholders.

Independence of Directors

(ASX Corporate Governance Principles and Recommendations: 2.1)

As stated above, a majority of the Board, excluding the Executive Chairman, are independent. The independent Directors are Mr Jack Diamond and Mr Ray King.

In assessing the independence of Directors, the Board considers whether the Director:

- is a substantial Shareholder of the Company or an officer of, or otherwise associated directly with, a substantial Shareholder of the Company;
- is employed, or has previously been employed in an Executive capacity by the Company or another Group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;

CORPORATE GOVERNANCE STATEMENT (CONT.)

Independence of Directors (cont.)

- has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- has a material contractual relationship with the Company or another Group member other than as a Director of the Company.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

Access to Information

(ASX Corporate Governance Principles and Recommendations: 2.6)

Directors are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties.

The Board, Board Committees (where applicable) or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Executive Chairman. A copy of any such advice received is made available to all members of the Board.

Remuneration and Performance

Board Remuneration and Performance Review

(ASX Corporate Governance Principles and Recommendations: 2.5, 2.6, 8.3)

The Board conducts an annual review of the role of the Board, assessing its performance over the previous 12 months and examining ways of assisting the Board in performing its duties more effectively.

The annual review includes consideration of the following measures:

- comparing the performance of the Board against the requirements of its Charter;
- assessing the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget;
- reviewing the Board's interaction with management;
- reviewing the type and timing of information provided to the Board by management;
- reviewing management's performance in assisting the Board to meet its objectives; and
- identifying any necessary or desirable improvements to the Board charter.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

There was no formal performance review of the Board during the financial year due to the substantial change in the composition of the Board, including a change in Chairman, during that period. A performance review of the Board will be conducted in the first half of the 2010 financial year.

Non-Executive Directors receive fees (including statutory superannuation) for their services, the reimbursement of reasonable expenses and, in certain circumstances options. They do not receive any termination or retirement benefits, other than statutory superannuation.

CORPORATE GOVERNANCE STATEMENT (CONT.)

Remuneration and Performance (cont.)

Board Remuneration and Performance Review (cont.)

The maximum aggregate remuneration approved by Shareholders for Non-Executive Directors is $450,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by Shareholders.

The total fees paid to Non-Executive Directors during the reporting period was $167,207.

Executive Remuneration and Performance

(ASX Corporate Governance Principles and Recommendations: 1.2, 1.3)

The Board annually reviews the performance of the Executive Chairman. At the commencement of each financial year, the Board and the Executive Chairman agree a set of generally Company-specific performance measures to be used in the review of the forthcoming year.

These will include:

(a) financial measures of the Company's performance;
(b) the extent to which key operational goals and strategic objectives are achieved;
(c) development of management and staff;
(d) compliance with legal and Company policy requirements; and
(e) achievement of key performance indicators.

The Executive Chairman assesses the performance of the senior Executives within the Company which directly report to him. This is performed through a formal performance appraisal process and measured against key performance indicators, including the business performance of the Company, and agreed at the beginning of each financial year.

An evaluation of senior Executives took place during the financial year in accordance with the Performance Evaluation Policy.

An evaluation of the Executive Chairman's performance as Chief Executive Officer was not conducted during the financial year due to the appointment not taking effect until 16 April 2009.

A summary of Viento Group Ltd's Performance Evaluation Policy is available on its website.

The Company does not have a nomination committee as the Directors consider the Company to be too small to warrant one. However, matters typically dealt with by such a committee are dealt with by the full Board.

The process for evaluating the performance of the Board and individual Directors is set out in the Performance Evaluation Policy, which is available on the Company's website. No performance evaluation of the Board was conducted during the financial year, due to the restructuring of the Company and the reduction in the size of the Board from six members to three.

Board of Committees

(ASX Corporate Governance Principles and Recommendations: 2.4, 2.6, 4.1, 8.1, 8.3)

The current size and composition of the Board, with an Executive Chairman and two independent non Executive Directors, and the operations of the Company, are not sufficient to establish Committees to assist the Board in fulfilling its duties and that would meet the requirements of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, in the future, should the size and composition of the Board and the operations of the Company warrant it, the Board will give consideration to the establishment of the following committees:

- Nomination Committee;
- Audit Committee; and
- Remuneration Committee.

CORPORATE GOVERNANCE STATEMENT (CONT.)

Board of Committees (cont.)

During the financial year the Company did not comply with *Recommendation 2.4: The Board should establish a nomination committee, Recommendation 2.3. The roles of the chairperson and chief Executive officer should not be exercised by the same individual, Recommendation 4.1: The Board should establish an audit committee, Recommendation 4.2: Structure the audit committee so that it consists of only Non-Executive Directors, consists of a majority of independent Directors, is chaired by an independent chairperson who is not chairperson of the Board and has at least three members, Recommendation 4.3: The audit committee should have a formal charter* and *Recommendation 8.1: The Board should establish a remuneration committee,* for the reasons set out above.

However, matters typically dealt with by the abovementioned committees and the functions of those committees are dealt with by the full Board.

The Board meets with the external auditor at least twice a year to review the adequacy of the existing external arrangements, with particular emphasis on scope, quality and independence of the audit. The external auditor will be required to report to the Board on its findings in relation to annual audits and half-yearly audit reviews as part of the process of the review and sign-off by the Board. The auditor will be rotated as is statutorily required.

Code of Ethics and Conduct

(ASX Corporate Governance Principles and Recommendations: 3.1, 3.3)

The Company has a Directors' Code of Conduct and a Corporate Code of Conduct, which promote ethical and responsible decision-making by Directors and employees.

The Codes of Conduct set out the:

- Practices necessary to maintain confidence in the Company's integrity;
- Practices necessary to take into account legal obligations and expectations of stakeholders; and
- Responsibility and accountability of individuals for reporting and investigating unethical practices.

The Company's Directors' Code of Conduct and Corporate Code of Conduct are available on its website.

Securities Dealing Policy

(ASX Corporate Governance Principles and Recommendations: 3.2, 3.3 8.3)

The Company has a Securities Dealing Policy regarding Directors, employees and consultants trading in its securities. The policy restricts Directors, employees and consultants from acting on material information until it has been released to the market and adequate time has been given for the information to be reflected in the security's prices.

Directors, employees, consultants and their associates are not permitted to deal in the Company's securities during the following closed periods:

1. In the period from 1 January to 3 business days after the announcement of the Company's half-year result; nor
2. In the period from 1 July to 3 business days after the announcement of the Company's full year result; nor
3. In the two month period before the Annual General Meeting of the Company to 3 business days after the announcement of the results of the Annual General Meeting.

Directors, employees, consultants and their associates must not trade in the Company's securities without advising the Executive Chairman (or other person designated for this purpose) in advance and must receive written clearance before any dealing in the Company's securities. Clearance will not be given during a closed period.

The Company's Directors and Executives, who are participating in an equity based incentive scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

The Company's Securities Dealing Policy is available on its website.

CORPORATE GOVERNANCE STATEMENT (CONT.)

Continuous Disclosure

(ASX Corporate Governance Principles and Recommendations: 5.1, 5.2)

Viento Group Ltd's Continuous Disclosure Policy sets out the obligations under the ASX Listing Rules and Corporations Act for all Directors and employees in relation to continuous disclosure and the type of information that requires disclosure. The Policy also provides procedures for internal notification and external disclosure, as well as procedures promoting understanding of compliance with the disclosure requirements and for monitoring compliance. In addition, the Board considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of information in the course of their duties as a Director of the Company, or any company within the Group.

The Executive Chairman is the person primarily responsible for ensuring that the Company complies with its continuous disclosure obligations.

The Company's Continuous Disclosure Policy is available on its website.

Communications with Shareholders

(ASX Corporate Governance Principles and Recommendations: 6.1, 6.2)

The Company has a Shareholder Communications Policy, which has been designed to promote effective communication with Shareholders and encourage Shareholder participation at Annual General Meetings. The Company's Policy requires that Shareholders are informed of all major developments that impact on the Company. The Executive Chairman has primary responsibility for communication with Shareholders.

Information is communicated to Shareholders through:

- distribution of the half-yearly and annual reports (in hardcopy when requested) via the Company's website;
- disclosures and announcements made to the ASX, which are placed on the Company's website;
- notices and explanatory memoranda of Annual General Meetings and General Meetings;
- occasional letters from the Executive Chairman to specifically inform Shareholders of key matters of interest; and
- the Company's website, where all reports, ASX announcements and media releases are posted.

The Company recognises the importance of Shareholder participation in General Meetings and supports and encourages that participation.

The Shareholder Communications Policy also provides that the Company's external auditor is required to attend each Annual General Meeting and be available to answer Shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company's Communications with Shareholders Policy is available on its website.

Recognise and Manage Risk

(ASX Corporate Governance Principles and Recommendations: 7.1, 7.2, 7.3, 7.4)

The Company has established policies for the oversight and management of material business risks. The Board is responsible for approving and reviewing the Company's risk management policy. The Board has required management to design and implement a risk management and internal control system to manage the Company's material business risks. The policy identifies potential risks by means of a comprehensive list of events across the elements of the business structure. Potential risks are assessed according to the likelihood of the risk event and the impact on the organisation. Risks with low likelihood and low impact have been excluded from the policy.

The Board has required and management has reported to the Board on the effectiveness of the management of the Company's material business risks.

When considering its review of the financial reports, the Board receives a written statement from the Executive Chairman and the Chief Accountant, that the Company's financial reports give a true and fair view, in all material respects, of the Company's financial position and comply in all material respects with relevant accounting standards. This statement also confirms that the Company's financial statements are founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to financial reporting risks.

Management has reported to the Board as to the effectiveness of the Company's management of its material business risks. The Board reviews the effectiveness of risk management and internal compliance and control on an annual basis.

A summary of the policies on risk management is available on the Company's website.

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated Group		Parent Entity	
	Note	2009 $000	2008 $000	2009 $000	2008 $000
Revenue	2	3,140	9,289	2,314	5,680
Employee Benefits Expense		(3,426)	(4,571)	(3,458)	(4,466)
Termination Payments		(454)	(985)	(454)	(970)
Professional Services Fees		(997)	(1,019)	(752)	(786)
Commission Expense		(227)	(372)	(1)	17
Occupancy Expense	3	(502)	(390)	(502)	(390)
Finance Expense		(384)	(264)	(168)	(260)
Administration Expense		(781)	(1,767)	(666)	(1,712)
Depreciation and Amortisation Expense	3	(135)	(144)	(135)	(144)
Loss on Disposal of Property, Plant and Equipment	3	(44)	(45)	(44)	(45)
Loss on Disposal of Investments	3, 15(b) & 16	(1,381)	106	(1,381)	106
Decrement in Forestry Plantations	3	(47)	102	(47)	102
Impairment of Assets	3, 16(a)	(341)	(1,909)	(341)	(1,500)
Write Off Deferred Establishment Costs		(658)	-	-	-
Write Off Loans to Associates	33(d)	(1,272)	-	(1,121)	(34)
Write Down of Inventories		-	(1,004)	-	(1,004)
Bad & Doubtful Debts Expense	3	(21)	26	3	26
Share of Net Losses of Associates Accounted for Using the Equity Method		-	(45)	-	-
Profit/(Loss) Before Income Tax Expense		(7,530)	(2,992)	(6,753)	(5,380)
Income Tax (Expense)/Benefit	4	(930)	814	(2,314)	1,520
Profit/(Loss) Attributed to Members of the Parent Entity		(8,460)	(2,178)	(9,067)	(3,860)
Overall Operations					
Basic earnings per share (cents per share)	8	(16.04)	(4.65)	-	-
Diluted earnings per share (cents per share)	8	(16.04)	(4.65)	-	-

The accompanying notes form part of these Financial Statements.

Balance Sheet

BALANCE SHEET AS AT 30 JUNE 2009

	Note	Consolidated Group		Parent Entity	
		2009 $000	2008 $000	2009 $000	2008 $000
Current Assets					
Cash and cash equivalents	9	3,079	4,895	1,699	1,774
Trade and other receivables	10	1,463	5,360	709	521
Inventories	11	-	5,077	-	5,077
Financial assets	16	200	254	200	254
Other current assets	17	232	135	140	119
Total Current Assets		**4,974**	**15,721**	**2,748**	**7,745**
Non Current Assets					
Trade and other receivables	10	2,182	2,913	931	4,807
Financial assets	16	569	-	569	50
Investments in controlled entities	18	-	-	2,375	2,375
Plant and equipment	19	242	406	242	406
Biological assets	20	1,725	1,649	1,725	1,649
Deferred tax assets	24	-	2,027	-	3,411
Intangible assets	21	14	29	14	29
Other non-current assets	17	-	771	-	-
Total Non Current Assets		**4,732**	**7,795**	**5,856**	**12,727**
Total Assets		**9,706**	**23,516**	**8,604**	**20,472**
Current Liabilities					
Trade and other payables	22	723	2,504	342	2,025
Financial liabilities	23	-	4,504	-	4,504
Short-term provisions	25	32	189	32	189
Other current liabilities	26	59	66	-	14
Total Current Liabilities		**814**	**7,263**	**374**	**6,732**
Non Current Liabilities					
Trade and other payables	22	-	-	3,470	962
Deferred tax liabilities	24	-	1,003	-	1,003
Long-term provisions	25	11	3	11	3
Total Non Current Liabilities		**11**	**1,006**	**3,481**	**1,968**
Total Liabilities		**825**	**8,269**	**3,855**	**8,700**
Net Assets		**8,881**	**15,247**	**4,749**	**11,772**
Equity					
Issued capital	27	19,231	19,156	19,231	19,156
Reserves		1,408	447	1,407	446
Retained earnings		(11,758)	(4,356)	(15,889)	(7,830)
Total Equity		**8,881**	**15,247**	**4,749**	**11,772**

The accompanying notes form part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

CONSOLIDATED GROUP	**Note**	**Share Capital Ordinary $000**	**Convertible Notes $000**	**Share Based Payments Reserve $000**	**Financial Asset Reserve $000**	**Retained Earnings $000**	**Total $000**
Balance at 30 June 2007		14,499	164	74	399	(2,178)	12,958
Shares issued during the year	27	1,545	-	-	-	-	1,545
Reclassification of convertible notes	23	3,063	(164)	-	-	-	2,899
Employee share options expense	35	-	-	521	-	-	521
Exercised/lapsed employee share options		49	-	(49)	-	-	-
Revaluation increment		-	-	-	(498)	-	(498)
Profit attributable to members of the Parent Entity		-	-	-	-	(2,178)	(2,178)
Balance at 30 June 2008		**19,156**	**-**	**546**	**(99)**	**(4,356)**	**15,247**
Shares issued during the year	27	-	-	-	-	-	-
Reclassification of convertible notes	23	42					42
Employee share options expense	35	-	-	(487)			(487)
Exercised/lapsed employee share options		33		1,327			1,360
Revaluation increment					120		120
Adjustment to prior year retained earnings on disposal of Joint Venture						1,059	1,059
Profit attributable to members of the Parent Entity						(8,460)	(8,460)
Balance at 30 June 2009		**19,231**	**-**	**1,386**	**21**	**(11,757)**	**8,881**

PARENT ENTITY	**Note**	**Share Capital Ordinary $000**	**Convertible Notes $000**	**Share Based Payments Reserve $000**	**Financial Asset Reserve $000**	**Retained Earnings $000**	**Total $000**
Balance at 30 June 2007		14,499	164	74	398	(3,970)	11,165
Shares issued during the year	27	1,545	-	-	-	-	1,545
Reclassification of convertible notes	23	3,063	(164)	-	-	-	2,899
Employee share options expense	35	-	-	521	-	-	521
Exercised/lapsed employee share options		49	-	(49)	-	-	-
Revaluation increment		-	-	-	(498)	-	(498)
Loss attributable to members of the Parent Entity		-	-	-	-	(3,860)	(3,860)
Balance at 30 June 2008		**19,156**	**-**	**546**	**(100)**	**(7,830)**	**11,772**
Shares issued during the year	27	-	-	-	-	-	-
Reclassification of convertible notes	23	42	-	-	-	-	42
Employee share options expense	35	-	-	(487)	-	-	(487)
Exercised/lapsed employee share options		33	-	1,327	-	-	1,360
Revaluation increment		-	-	-	121		121
Adjustment to prior year retained earnings on disposal of Joint Venture		-	-	-	-	1,008	1,008
Loss attributable to members of the Parent Entity		-	-		-	(9,067)	(9,067)
Balance at 30 June 2009		**19,231**	**-**	**1,386**	**21**	**(15,889)**	**4,749**

The accompanying notes form part of these Financial Statements.

Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated Group		Parent Entity	
	Note	2009 $000	2008 $000	2009 $000	2008 $000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		4,969	5,415	935	632
Payments to suppliers and employees		(6,961)	(8,880)	(6,477)	(7,322)
Interest received		269	482	135	464
Interest paid		(202)	(127)	(195)	(123)
Dividends received		-	-	1,645	4,850
Income tax (paid)/refunded		85	-	85	-
Net cash provided by/(used in) operating activities	**32(a)**	**(1,840)**	**(3,110)**	**(3,872)**	**(1,499)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale:					
— Plant & equipment		6	10	6	10
— Investments		101	1,957	101	1,957
Payments for purchase of:					
— Plant & Equipment		(21)	(268)	(21)	(268)
— Investments		-	-	-	-
— Forestry Plantations		(78)	(76)	(78)	(76)
— Other non current assets		(3)	(382)	-	(29)
Increase in cash on acquisition of subsidiaries			87		-
Loans to:					
— Related Entities		-	(1,562)	(250)	(1,562)
— Others		-	(24)	-	(24)
Loans repaid by:					
— Related Entities		-	-	4	-
— Other		12	25	7	25
Net cash provided by/(used in) investing activities		**17**	**(233)**	**(231)**	**33**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		-	45	-	45
Proceeds from issue of convertible notes		-	-	-	-
Proceeds from exercise of share options		-	-	-	-
Proceeds from borrowings:					
— Financial Institutions		-	-	-	-
— Related Entities		81	118	2,417	118
Repayment of borrowings:					
— Financial Institutions		-	(185)	-	(86)
Loans to related entities		(74)	-	-	(1,544)
Loans repaid by related entities		-	2,494	1,611	2,806
Net cash provided by financing activities		**7**	**2,472**	**4,028**	**1,339**
Net increase/(decrease) in cash held		**(1,816)**	**(871)**	**(75)**	**(127)**
Cash at the beginning of the year		**4,895**	**5,766**	**1,774**	**1,901**
Cash at the end of the year	**9**	**3,079**	**4,895**	**1,699**	**1,774**

The accompanying notes form part of these Financial Statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Viento Group Ltd and controlled entities ('Consolidated Group' or 'Group') and the separate financial statements and notes of Viento Group Ltd as an individual parent entity ('Parent Entity').

Basis of Preparation

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

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

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

Accounting Policies

(a) Principles of Consolidation

A subsidiary (controlled entity) is an entity over which Viento Group Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing whether the Group controls another entity, the existence and effect of holdings of actual and potential voting rights that are currently exercisable or convertible are considered. A list of controlled entities is contained in Note 18 to the financial statements.

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

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

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

(b) Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at the acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised as the excess of cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. If the net fair value of the identifiable assets, liabilities and contingent liabilities acquired is greater than cost of acquisition, the surplus is immediately recognised in profit or loss but only after a reassessment of the identification and measurement of the net assets required.

(c) Income Tax

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Income Tax (cont.)

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects the movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Given the current economic uncertainty, the Directors have written off the recognised Deferred Tax Assets relating predominately to unused tax losses to the extent that they exceed Deferred Tax Liabilities. The Directors do not believe there is convincing evidence that there will be taxable profits against which to utilise these losses.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Viento Group Ltd and its wholly owned Australian subsidiaries have formed an income tax Consolidated Group under tax consolidation legislation. Each entity within the Group recognises its own current and deferred tax liabilities. Such taxes are measured using the "stand-alone taxpayer" approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Officer that it had formed an income tax Consolidated Group to apply from 1 January 2004. The tax Consolidated Group has entered a tax funding agreement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

(d) Inventories

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until the completion of development. Finance costs and holding charges incurred after development is completed are expensed. Profits are brought to account when all the significant risks and rewards of ownership have been transferred to the buyer.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(e) Plant and Equipment

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

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

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

Plant and equipment is depreciated on a straight-line basis over its useful life to the Group commencing from the time the asset is held ready for use. Depreciation rates used for plant and equipment generally range between 7.5% and 40%.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Consolidated Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(g) 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. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

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

Derecognition

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(g) Financial Instruments (cont.)

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit and loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch, or to enable performance evaluation where a group of financial assets is managed by Key Management Personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

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

(v) Financial liabilities

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

Fair value

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

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement.

(h) Impairment of Assets

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

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Group's share of post acquisition reserves of its associates. During the year all investments in associates were disposed of as disclosed in Note 13 and 14.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(j) Interests in Joint Ventures

The Consolidated Group's share of the assets, liabilities, revenue and expenses of joint venture operations and joint venture entities are included in the appropriate items of the consolidated financial statements. Details of the Consolidated Group's interests in joint ventures are shown in Note 15.

The parent entity's interests in joint venture entities are brought to account using the proportionate consolidation method which combines its share of each of the assets, liabilities, income and expenses of the jointly controlled entity with the similar items, line by line, in its financial statements. During the year all investments in joint ventures were disposed of as disclosed in Note 15.

(k) Intangibles

Goodwill

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

Trademarks

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

(l) Biological Assets

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

Forestry plantations owned by the Consolidated Group are valued at fair value at each reporting date and the increment or decrement in the fair value between reporting periods is recognised in the Income Statement.

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

(m) Employee Benefits

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

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

Equity-settled Compensation

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(n) Provisions

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

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

(o) Cash and Cash Equivalents

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

(p) Revenue and Other Income

Revenue is measured at fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

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

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

Completion fees are revenue earned through the successful completion of a syndicate being measured by the excess of net sale proceeds over the purchase price and property acquisition costs. These fees are recognised on completion of a syndicate.

Incentive fees are earned and recognised on completion of a syndicate when the net sales proceeds of a syndicate exceed the purchase price plus the property acquisition costs, syndicate establishment costs and total capital expenditure of the syndicate by a margin of 25%.

Revenue earned from the agribusiness project is recognised in the period in which the underlying services are provided.

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(q) Borrowing Costs

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

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

(r) Convertible Notes

For convertible notes, the component of the convertible note that exhibits characteristics of a liability is recognised as a liability in the Balance Sheet, net of transaction costs. On issuance of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a long term liability. The increase in the liability due to the passage of time is recognised as a finance cost.

The remainder of the proceeds are allocated and included in Shareholders' equity, net of transaction costs. The carrying amount of the convertible notes is not remeasured in subsequent years.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(t) Segment Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles, plant and equipment and accumulated depreciation and amortisation. Segment liabilities consist principally of payables, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

(u) Comparative Figures

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

The comparative figures in the Income Statement have been adjusted to present the accounts in more suitable format. Prior years have used a cost of sale model which is not considered appropriate under the current Group structure. The change better reflects the activities of the Consolidated Group.

(v) Rounding of Amounts

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

(w) Critical Accounting Estimates and Judgments

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

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

Key Estimates and Judgements - Impairment

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 20 – Biological Assets

Impairment has been recognised for goodwill that is attributable to Viento Finance Ltd for the year ended 30 June 2008 as the mortgage funds management business does not hold any significant future value to the Consolidated Group.

Impairment has also been recognised for goodwill on acquisition of QTIF Pty Ltd for the year ended 30 June 2008 as management believes it is not possible to determine the recoverable amounts of the cash generating units supporting this goodwill. QTIF was only established in June 2007 and has no trading history on which to base a valuation of its shares. The only assets of QTIF are shareholdings in two associated companies, Viento Global Property Pty Ltd and Viento Alternative Strategies Pty Ltd. These associated companies were also only established in June 2007 and each has a start up business with no material trading history and no material tangible assets.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(x) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 8 *Operating Segments and* AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (effective from 1 January 2009)

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group will adopt AASB 8 from 1 July 2009. It is unlikely to result in an increase in the number of reportable segments presented. The segments will be reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.

(ii) Revised AASB 101 *Presentation of Financial Statements and* AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (effective from 1 January 2009)

The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third Balance Sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group will apply the revised standard from 1 July 2009.

(iii) AASB 2008-1 *Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations* (effective from 1 January 2009)

AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply the revised standard from 1 July 2009, but it is not expected to affect the accounting for the Group's share-based payments.

(iv) Revised AASB 3 *Business Combinations,* AASB 127 *Consolidated and Separate Financial Statements* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* (effective 1 July 2009)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the Income Statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. The Group will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2009.

The financial report was authorised for issue on 31 August 2009 by the Board of Directors.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
2. REVENUE				
Operating Revenue				
– Establishment fee income	-	2,761	-	-
– Management fee income	1,904	1,698	30	50
– Completion fee income	177	2,206	-	-
– Incentive fee income	-	1,567	-	-
– Other fee income	521	316	391	316
Total Operating Revenue	**2,602**	**8,548**	**421**	**366**
Other Revenue				
– Rental Revenue	30	-	30	-
– Leasing Fee Revenue	36	-	-	-
– Interest Received – Other	201	482	135	464
– Dividends	1	1	1,645	4,850
– R&D Grant Income	174	-	-	-
– Other Revenue	96	258	83	-
Total other income	**538**	**741**	**1,893**	**5,314**
Total Revenue	**3,140**	**9,289**	**2,314**	**5,680**
3. PROFIT/(LOSS) FOR THE YEAR				
(a) Expenses				
Depreciation of non current assets				
– Plant and equipment	135	144	135	144
Impairment of non-current assets				
– Goodwill	-	1,909	-	-
– Financial Assets	341	-	341	1,500
Bad and doubtful debts				
– Other debtors	21	(26)	(3)	(26)
– Wholly owned subsidiaries		-	-	33
Rental expense on operating leases				
– Minimum lease payments	502	336	502	336
– Contingent rentals	-	47	-	47
Loss on disposal of assets				
– Plant and equipment	44	45	44	45
– Investments	1,381	(106)	1,381	(106)
Decrement/(Increment) in Tree valuation	47	(102)	47	(102)

	Note	Consolidated Group 2009 $000	Consolidated Group 2008 $000	Parent Entity 2009 $000	Parent Entity 2008 $000
4. INCOME TAX					
(a) The components of tax expense/(benefit) comprise:					
Current tax		(974)	214	(941)	(633)
Deferred tax	24	(470)	(814)	(364)	(887)
Recoupment of prior year tax losses			(214)	-	-
Under/(over) provision in respect of prior years		(85)	-	(85)	-
Write off deferred tax asset in respect of prior years		2,459		3,704	
		930	(814)	2,314	(1,520)
(b) Prima facie tax payable on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:					
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 30% (2008: 30%)		(2,259)	(898)	(2,026)	(1,164)
		(2,259)	(898)	(2,026)	(1,164)
Add: Tax effect of:					
– non-deductible depreciation & amortisation		-	574	-	1
– other non allowable items		722	164	677	174
– write downs to recoverable amounts		16	14	16	-
– tax assets recouped during the period		-	(814)	-	(887)
– quarantined net foreign loss		-	37	-	37
– other net timing differences		(94)	(230)	(92)	194
		(1,615)	(1,153)	(1,425)	(1,645)
Less: Tax effect of:					
– revaluations of assets		11	52	11	52
– share of loss from joint venture entities		-	(177)	-	(177)
– other net timing differences		(651)	-	(495)	-
– over provisions for income tax in prior year		-	-	-	-
Current year write off DTA/DTL		(1,989)	-	(3,340)	
Recoupment of prior year tax losses/adjustments		85	(214)	85	-
Income tax		930	(814)	2,314	(1,520)
Imputation credits		-	-	-	-
Income tax benefit attributable to entity		**930**	**(814)**	**2,314**	**(1,520)**

5. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Names and positions held of economic and Parent Entity Key Management Personnel in office at any time during the financial year are:

Key Management Person	Position
Mr R C Nichevich	Director – Executive Chairman
Mr J S Diamond	Director – Independent Non-Executive
Mr R E King	Director – Independent Non-Executive
Mr M R Gordon	Chairman – Non-Executive (ceased 4 December 2008)
Mr M R Kluge	Managing Director (ceased 16 April 2009)
Mr I D Kent	Director – Independent Non-Executive (ceased 31 December 2008)
Mr P G Webse	Company Secretary
Mr K J Murphy	Head of Funds Management (appointed 27 May 2009)
Mr D R Wright	Chief Accountant
Ms R L Pope	Head of Marketing and Communications
Ms S A Barrett	Marketing Director & General Manager Operations (ceased 14 November 2008)
Mr A Micelotta	Head of Property (ceased 3 June 2009)
Mr F L Connolly	Chief Financial Officer & Head of Corporate Finance (ceased 6 March 2009)
Mr K W Mumford	Head of Risk Management & Compliance (ceased 16 January 2009)

Key Management Personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

(b) Key Management Personnel Compensation

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
Short Term Employee Benefits	1,579,366	1,548,450	1,579,366	1,548,450
Post Employment Benefits	80,212	83,056	80,212	83,056
Long Term Benefits	-	-	-	-
Termination Benefits	375,589	846,256	375,589	846,256
Share Based Payments	873,359	520,524	873,359	520,524
	2,908,526	2,998,286	2,908,526	2,998,286

(c) Option Holdings

Number of Options Held by Key Management Personnel

	Balance 1-7-08	Granted as Compensation	Options Exercised	Net Change Other	Balance 30-6-09	Total Vested 30-6-09	Total Exercisable 30-6-09	Total Unexercisable 30-6-09
Directors								
Mr M R Kluge	23,100,000	-	-	(23,100,000)	-	-	-	-
Mr J D Diamond	400,000	-	-	(100,000)	300,000	-	-	300,000
Mr R E King	300,000	-	-	-	300,000	-	-	300,000
Other Key Management Personnel								
Mr A Micelotta	200,000	-	-	(200,000)	-	-	-	-
Mr P G Webse	300,000	-	-	-	300,000	-	-	300,000
Mr C J Carey	100,000	-	-	(100,000)	-	-	-	-
Mr F L Connolly	-	500,000	-	(500,000)	-	-	-	-

5. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT.)

(c) Option Holdings (cont.)

Number of Options Held by Key Management Personnel (cont.)

	Balance 1-7-07	Granted as Compensation	Options Exercised	Net Change Other	Balance 30-6-08	Total Vested 30-6-08	Total Exercisable 30-6-08	Total Unexercisable 30-6-08
Directors								
Mr M R Kluge	-	23,100,000	-	-	23,100,000	-	-	23,100,000
Mr J D Diamond	-	400,000	-	-	400,000	100,000	100,000	300,000
Mr R E King	-	300,000	-	-	300,000	-	-	300,000
Other Key Management Personnel								
Mr A Micelotta	100,000	100,000	-	-	200,000	100,000	100,000	100,000
Mr P G Webse	-	300,000	-	-	300,000	100,000	100,000	200,000
Mr C J Carey	200,000	-	-	(100,000)	100,000	100,000	100,000	-

(d) Shareholdings

Number of Shares Held by Key Management Personnel

Key Management Person	Balance 30-6-08	Received as Compensation	Options Exercised	Net Change Other	Balance 30-6-09
Directors					
Mr R C Nichevich	10,860,000	-	-	-	10,860,000
Mr J S Diamond	20,700	-	-	-	20,700
Mr R E King	100,000	-	-	-	100,000
Mr M R Gordon	6,658,880	-	-	(6,658,880) [1]	-
Mr M R Kluge	10,069,566	-	-	(10,069,566) [2]	-
Mr I D Kent	300,000	-	-	(300,000) [3]	-
Other Key Management Personnel					
Mr P G Webse	22,000	-	-	-	22,000
Ms S A Barrett	180,000	-	-	(180,000) [4]	-

[1] Mr Gordon resigned as a Director on 4 December 2008.

[2] Mr Kluge resigned as a Director on 16 April 2009.

[3] Mr Kent resigned as a Director effective 31 December 2008.

[4] Ms Barrett resigned effective 14 November 2008.

5. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT.)

(d) Shareholdings (cont.)
Number of Shares Held by Key Management Personnel (cont.)

Key Management Person	Balance 30-6-07	Received as Compensation	Options Exercised	Net Change Other	Balance 30-6-08
Directors					
Mr M R Gordon	6,658,880	-	-	-	6,658,880
Mr M R Kluge	-	-	-	10,069,566 [1]	10,069,566
Mr R C Nichevich	10,860,000	-	-	-	10,860,000
Mr J S Diamond	20,700	-	-	-	20,700
Mr I D Kent	300,000	-	-	-	300,000
Mr R E King	-	-	-	100,000 [2]	100,000
Other Key Management Personnel					
Ms S A Barrett	180,000	-	-	-	180,000
Mr P G Webse	22,000	-	-	-	22,000
Mr C J Carey	115,056	-	-	(115,056)[3]	-

[1] 5,000,000 shares issued pursuant to Shareholder approval on 28 November 2007. 569,566 ordinary shares purchased and 4,500,000 partly paid shares issued pursuant to Shareholder approval on 27 March 2008.

[2] Refers to shares purchased or sold during the financial year.

[3] Mr Carey was made redundant on 31 March 2008.

(e) Loans to Key Management Personnel

Refer to Note 10(b) for details of loans to Key Management Personnel.

(f) Share Incentive Plans

On 14 November 2008 Ms Barrett ceased employment with the Company and is no longer entitled to further Incentive Shares. Ms Barrett was not issued any Incentive Shares during the financial year.

At the Annual General Meeting held on 29 November 2005, Shareholders approved a Share Incentive Plan for Mr Nichevich. The details of the Plans are as follows:

Maximum Number of Incentive Shares

The Executives have the opportunity to acquire up to the following number of Shares in the Company pursuant to the Plans:
- Mr R C Nichevich – 1,000,000 Incentive Shares

These maximum amounts include the Initial Entitlements referred to below.

Initial Entitlement

The Executives were allotted with the following Initial Entitlements of Shares pursuant to the Plans:
- Mr R C Nichevich – 200,000 Incentive Shares on 19 December 2005

Thresholds

Mr R C Nichevich

The earning conditions for Further Incentive Shares for Mr Nichevich are as follows:
- 160,000 shares if the Company achieves a NPAT of $2 million for the 2005 financial year,
- 160,000 shares if the Company achieves a NPAT of $3 million for the 2006 financial year,
- 160,000 shares if the Company achieves a NPAT of $4 million for the 2007 financial year,
- 160,000 shares if the Company achieves a NPAT of $5 million for the 2008 financial year and
- 160,000 shares if the Company achieves a NPAT of $6 million for the 2009 financial year.

5. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT.)

(f) Share Incentive Plans (cont.)

The basis on which the Executives become entitled to subscribe for Further Incentive Shares is as follows:

Subscription Price

The subscription price for the Incentive Shares in respect of the Executives is $0.35 per share.

Period in which Incentive Shares may be earned

In relation to Mr Nichevich, the entitlement to earn Further Incentive shares commenced on 30 June 2004 and ceases on 31 December 2009. The right to Further Incentive Shares shall cease with effect from 30 June 2009. However, if the earnings condition for the financial year ending 30 June 2009 has not been met, the Company may at its discretion, subject to Board approval and subject to the approvals required by law, the ASX or by the Listing Rules, by notice to Mr Nichevich permit him to earn up to the maximum amount of Incentive Shares provided that the Company achieves a net profit after tax of $7 million for the financial year ending 30 June 2010. Shares to which an entitlement arose prior to 1 January 2009 shall continue to be issued, subject to Mr Nichevich not having resigned from office (other than by agreement with the Company) or a termination event under his service contract occurring.

Conditions to the allotment of Incentive Shares

The right to be allotted Incentive Shares which the Executive has earned is subject to no Termination Event having occurred:
(a) prior to the Executive claiming his or her entitlement to the Earned Incentive Shares; and
(b) prior to the Earned Incentive Shares being allotted.

Other conditions to the allotment of Earned Incentive Shares are:
(a) no Termination Event having occurred;
(b) no event of default having occurred;
(c) the Executive having executed and delivered the Share Mortgage to secure the Loan and other documents to ensure the effectiveness of the Mortgage;
(d) the Executive delivering to the Company an executed Restriction Agreement in respect of relevant Earned Incentive Shares if required by the ASX; and
(e) the Company applying the Subscription Price in respect of the relevant Incentive Shares.

Failure to meet the Earnings Conditions

If the Earnings Conditions in relation to Mr Nichevich are not met for the relevant financial year, he shall not be entitled to Further Incentive Shares which would have been allotted if the Earnings Condition was met for that financial year. There is no pro-rata entitlement to Further Incentive Shares for Mr Nichevich. A financial year in which the Earnings Conditions for Mr Nichevich is an 'Under Year' and the amount by which Net Profits after Tax falls short of the Earnings Conditions is an 'Under Amount'. A financial year in which the level of Net Profit after Tax exceeds the Earnings Condition is an 'Over Year' and the amount by which Net Profits after Tax exceeds the Earnings Condition is an 'Over Amount'. If an Under Year is followed by an Over Year, whether consecutively or not, the Over Amount(s) in the relevant Over Year(s) shall be applied to make up Under Amounts in any preceding Under Years. Subject to the matters referred to under this heading, Mr Nichevich shall not be entitled to any further entitlement if the Net Profit after Tax for a financial year exceeds the Earnings Conditions for that Financial Year. Over Amounts cannot be carried forward towards meeting Earnings Conditions for future financial years.

Further Incentive Shares Issued during the financial year

No Further Incentive Shares were issued to Mr Nichevich during the financial year as the Earning Condition was not met.

Termination Event

A Termination Event occurs where the Executive resigns from employment with the Company, other than by agreement with the Company or has his or her employment contract terminated for cause. If a Termination Event occurs prior to the Earned Incentive Shares being issued, the Executive shall cease to be entitled to the Earned Incentive Shares which have not been allotted and shall have no claim against the Company in this regard. However, the Company may, at its discretion, determine that the Executive shall be entitled to all or part of the Earned Incentive Shares, on terms acceptable to the Company, if the Executive retires prior to the Earned Shares being allotted by reason of ill health or any other reason the Company determines is acceptable to it in its absolute discretion. If the Company determines that the Executive shall be entitled to some or all of the Earned Incentive Shares in these circumstances, it may impose such conditions as it considers appropriate on those shares being allotted. In the case of Mr Nichevich, if the Company terminates his service agreement by notice by paying him the termination fee, Mr Nichevich shall continue to be entitled to earn the Incentive Shares, subject to the earnings conditions being met.

5. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT.)

(f) Share Incentive Plans (cont.)

Restriction Period

Certain Incentive Shares allotted will be subject to a period following allotment within which they cannot be transferred, sold or the subject of an option, trust or mortgage. There are restrictions in respect of both the Initial Allotment and Further Incentive Shares. The restrictions are set out below:

Part 1

Initial Entitlements

Mr Nichevich's Initial Entitlements are no longer subject to any restriction periods due to the passage of time.

Part 2

Further Incentive Shares

Amount	**Restriction Period**
As to 1/3rd of the relevant tranche	None
As to 1/3rd of the relevant tranche	For one year from the date of the allotment of the relevant tranche
As to 1/3rd of the relevant tranche	For two years from the date of the allotment of the relevant tranche

If a Termination Event occurs within the Restriction Period, subject to the Company obtaining Shareholders' approval under Section 257D of the Corporations Act, the Company shall be entitled to buy-back the Restricted Shares for a total consideration of $1.00 for the entire Restricted Shares. This means $1.00 for the entire Restricted Shares, not $1.00 per share. If the Company is unable to obtain approval to the buy-back of the Shares within 90 days of the Termination Event, or the Company gives notice to the Executive that it does not want to buy-back the Restricted Shares, the Company shall be entitled to require that the Restricted Shares be sold and the proceeds of the sale be paid to the Company.

Loans

The Company has agreed to lend the Executives an amount equal to the Subscription Amount of $0.35 per share. The loans shall be free of interest. The loans are be secured by a share mortgage in favour of the Company over the Shares. The loans must be repaid in full within 7 years of the date of the first advance. The loans shall be repaid from all dividends received in respect of the Incentive Shares and at the discretion of the Company at least 50% of all after tax profit share bonuses received by the Executive under the terms of his or her employment with the Company or which are paid to him or her ex-gratia by the Company or related bodies corporate. The loans must be repaid in full no later than 1 month after a Termination Event. The loans are repayable on demand if an Event of Default occurs.

The Share Mortgages will remain in force over all allotted Incentive Shares notwithstanding the partial repayment of the Loan. The Company will release the Share Mortgages once the loans have been repaid in full. The Company's right to recover the loans is limited to the amount it will receive on realisation of its security under the Share Mortgages. The Company will pay any stamp duty payable in respect of the Share Mortgages.

Incentive Shares will be in certificated form during the Restriction Period and during the period of the Share Mortgages the Shares will be the subject of share certificates and will not be tradeable through the system operated by the ASX Settlement and Transfer Corporation Pty Ltd. The Company will hold the share certificates. These measures are aimed at protecting the Company's security over the Shares.

See Note 10(b) for details of loans in relation to the Share Incentive Plans.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
6. AUDITOR'S REMUNERATION				
Remuneration of the auditor of the Consolidated Group for:				
WHK Horwath				
– Auditing or reviewing the financial report	11	79	11	62
– Other regulatory audit services	-	6	-	-
	11	85	11	62
Non-Audit				
– Other corporate services	31	1	31	1
	31	1	31	1
Pricewaterhouse Coopers				
– Auditing or reviewing the financial report	84	-	78	-
– Other regulatory audit services	4	-	-	-
	88	-	78	-
Total				
– Auditing or reviewing the financial report	95	79	89	62
– Other regulatory audit services	4	6	-	-
	99	85	89	62
Non-Audit				
– Other corporate services	31	1	31	1
	31	1	31	1

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
7. DIVIDENDS				
No dividends have been declared or paid in respect of the financial year ended 30 June 2009 (2008: nil).	-	-	-	-
Franking account:				
The balance of the franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years	413	413	413	413

	Consolidated Group	
	2009 $000	2008 $000
8. EARNINGS PER SHARE		
(a) Reconciliation of earnings to profit or loss		
Profit/(loss)	(8,469)	(2,178)
Earnings used to calculate basic and dilutive EPS	(8,469)	(2,178)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	52,740,175	46,828,931
Weighted average number of options outstanding during the year used in the calculation of dilutive EPS	-	49,879
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	52,740,175	46,878,810
(c) Basic Earnings Per Share	(16.04)	(4.65)
Diluted Earnings Per Share	(16.04)	(4.65)

As at 30 June 2009, the options on issue had an exercise price in excess of the market price and are therefore not dilutive.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
9. CASH & CASH EQUIVALENTS				
Cash at bank and in hand	3,079	4,895	1,699	1,774
	3,079	4,895	1,699	1,774
Reconciliation of Cash				
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Balance Sheet as follows:				
Cash and cash equivalents	3,079	4,895	1,699	1,774

The Commonwealth Bank holds performance guarantees relating to the rental of the Melbourne office premises to the value of $22,821 (2008: $112,730). This amount is held on term deposit with the bank and appears in the Balance Sheet under Other Current Assets.

	Note	Consolidated Group 2009 $000	Consolidated Group 2008 $000	Parent Entity 2009 $000	Parent Entity 2008 $000
10. TRADE & OTHER RECEIVABLES					
Current					
Term debtors	10(a)	21	34	21	34
Trade debtors	34(b)(i)	934	2,477	194	223
Other debtors		508	2,849	494	264
		1,463	5,360	709	521
Non Current					
Term debtors	10(a)	395	453	395	453
Less provision for doubtful debts		(120)	(144)	(120)	(144)
		275	309	275	309
Trade debtors	34(b)(i)	1,784	-	-	-
Other debtors		87	133	87	133
Amounts receivable from:					
– wholly owned subsidiaries	33(c)	-	-	2,632	6,991
– provision for impairment of receivables - wholly owned subsidiaries	33(c)		-	(2,099)	(5,097)
– associated entities		-	1,547	-	1,547
– joint venture operation		-	778	-	778
– Key Management Personnel	10(b)	36	146	36	146
		2,182	2,913	931	4,807

Movements in the provision for impairment of receivables is as follows:

Opening Balance		144	174	144	174
Provision for impairment during the year		(2)	(30)	(2)	(30)
Receivables written off during the year		(22)	-	(22)	-
Closing Balance		120	144	120	144

(a) Term Debtors

To secure these debtors, a charge is held over the underlying assets. Where collection of the debtor is doubtful and the assessed value of the assets is less than the amount outstanding, a provision for doubtful debt is recognised for the shortfall. Interest rates are fixed at the time of entering into the contract and are 10% per annum (2008: 10%).

(b) Key Management Personnel Loans

Key Management Personnel	Balance at Beginning of Year $000	Balance at End of Year $000	Interest Charged $000	Interest not Charged $000	Provision for Impairment $000	Number of Individuals
2009	146	36	-	9	(61)	1
2008	252	146	-	12	-	2

10. TRADE & OTHER RECEIVABLES (CONT.)

(b) Key Management Personnel Loans (cont.)

Loans were provided to Key Management Personnel for the sole purpose of acquiring ordinary shares in Viento Group Ltd at $0.35 each pursuant to share incentive plans approved by Shareholders at a General Meetings held on 22 December 2004 and 29 November 2005.

The loans are interest free and are for a period of 7 years from the date of the first advance. The loans are secured by a share mortgage in favour of the Company over the shares. Recourse for the loans is limited to the proceeds from sale of the secured shares. Provision for impairment relates to the reduced available proceeds available to repay the loans from the on market sale of the shares in Viento Group Ltd (ASX code: VIE).

No repayments were made in the current year. The movement in loan balances reflects the change in value of the security which the Group holds over the loans.

During the year one of the Key Management Personnel ceased employment, which resulted in the number of individuals in receipt of loans decreasing from two to one persons. At no stage during the year did any one individual have a loan in excess of $100,000.

Interest not charged was calculated at the rate of 9% (2008: 6%).

		Consolidated Group		Parent Entity	
	Note	2009 $000	2008 $000	2009 $000	2008 $000
11. INVENTORIES					
Current					
Land held for resale at net realisable value	12	-	5,077	-	5,077
12. LAND HELD FOR RESALE					
Cost of acquisition		-	4,337	-	4,337
Development costs capitalised		-	189	-	189
Borrowing and holding costs capitalised		-	1,554	-	1,554
Provision for write down of inventories to net realisable value		-	(1,003)	-	(1,003)
		-	5,077	-	5,077
Classified as:					
Current	11	-	5,077	-	5,077
Non-Current	11	-	-	-	-
			5,077	-	5,077
Finance costs capitalised:					
Finance costs incurred		-	1,554	-	1,554

Land held for resale related to land acquired by Kingscliff Land Company Pty Ltd in its capacity as custodian for the Cudgen Joint Venture and as trustee for the Kingscliff Land Unit Trust in relation to the Kingscliff Project. Refer to note 15(b) and 16(b) for changes in ownership, and subsequent accounting treatment, of these two entities during the year.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

During the year Kingscliff Land Unit Trust (February 2009) and Viento Global Properties Pty Ltd and Convex Alternative Strategies Pty Ltd (April 2009) ceased being accounted for using the equity method. See note 14 for further details.

14. ASSOCIATED ENTITIES

Interests are held in the following associated entities:

Name	Principal Activities	Country of Incorp	Type	Ownership Interest	
				2009 %	2008 %
Unlisted:					
Kingscliff Land Unit Trust	Property development	Australia	Units	10.00	50.00
Viento Global Property Pty Ltd	Funds management	Australia	Ord	100.00	50.00
Viento Alternative Strategies Pty Ltd	Funds management	Australia	Ord	62.50	50.00

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
(a) Movements during the year in Equity Accounted Investment in Associates				
Balance at the beginning of the financial year	-	45	-	-
New investments during the year	-	-	-	-
Share of associated entities loss from ordinary activities after income tax	-	(45)	-	-
Disposals during the year	-	-	-	-
Balance at end of financial year	-	-	-	-
(b) Equity Accounted Profits of Associates are Broken Down as follows:				
Share of associates loss before income tax expense	-	45		-
Share of associates income tax expense/(benefit)	-	-		-
Share of associates loss after income tax	-	45		-
(c) Summarised Presentation of Aggregate Assets, Liabilities and Performance of Associates				
Current Assets		2,107		-
Non-Current Assets		-		-
Total Assets		2,107		-
Current Liabilities		2,188		-
Non-Current Liabilities		1,280		-
Total Liabilities		3,468		-
Net Liabilities		(1,361)		-
Revenues		17		-
Loss before income tax of associates		(1,451)		-

In April 2009 additional shares were acquired in both Viento Global Properties Pty Ltd and Convex Alternative Strategies Pty Ltd which increased the Groups interest to 100% and 62.5% respectively. As a result of the additional acquisition these entities are no longer classified as Associates but are now Controlled Entities. See notes 18(b) and 18(c) for full details on acquisition.

In February 2009, a recapitalisation agreement was entered into for the Kingscliff Land Unit trust which resulted in the Group's ownership decreasing from 50% to 10%. As a result of the recapitalisation agreement the Kingscliff Land Unit Trust is no longer classified as an associate. The investment is recorded in Financial Assets under Unlisted Investments at Fair Value. See Note 16 for full details on transaction.

15. INTEREST IN JOINT VENTURES

(a) Interest in Joint Ventures

A controlled entity, Constance Range Pty Ltd (CRPL), is in joint venture with Kimberley Metals Ltd (KML) to develop the Constance Range iron ore deposits (the Project). Under the joint venture agreement, KML had a right to earn 30% equity in the Project by completing a pre-feasibility study. Under a supplementary agreement, dated 1 April 2008, KML completed the earning of its 30% equity by paying $250,000 in cash to CRPL. KML may elect to earn an additional 20% equity in the Project by completing a bankable feasibility study with a proposed budget of $5 million. Unless, and until, KML elects to earn an additional 20% equity in the Project both parties will contribute to development and construction costs on a pro rata basis.

(b) Interest in Joint Venture Entities

The Consolidated Group has a 10% interest (2008: 50%) in the Cudgen Joint Venture, whose principal activity is to rezone and subsequently develop approximately 40 hectares of land into residential lots in Kingscliff, New South Wales. In February 2009 a recapitalisation agreement was entered into whereby loans made to the venture by existing parties were converted to capital and new investors contributed an additional $3.836m in return for an 80% interest. Details of the transaction were as follows:

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
Initial Investment	200	-	200	-
Loans Advanced to Joint Venture	1,451	-	1,451	-
Total Amount Contributed/Converted to Equity	1,651	-	1,651	-
Additional Capital Contributed By New Investors (80%)	3,836	-	3,836	-
Adjusted Capital of Joint Venture (100%)	4,795	-	4,795	-
Viento Group Portion of Joint Venture (10%)	480	-	480	-
Loss on Investment	(1,171)	-	(1,171)	-

Following the recapitalisation agreement entered into in February 2009, the investment in the Joint Venture entity has been accounted for in the parent entity at fair value (see Note 16 Financial Assets). Prior to the recapitalisation the proportional consolidation method was used as the Group exerted significant control over the entity. The Consolidated Group's share of assets employed in the Cudgen Joint Venture under the proportionate method were as follows:

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
Current Assets	-	5,135	-	5,135
Non-Current Assets	-	-	-	-
Total Assets	-	5,135	-	5,135
Current Liabilities	-	5,944	-	5,944
Non-Current Liabilities	-	-	-	-
Total Liabilities	-	5,944	-	5,944
Revenues	-	1	-	1
Expenses	-	(1,008)	-	(1,008)
Profit/(loss) before income tax	**-**	**(1,007)**	**-**	**(1,007)**

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
16. FINANCIAL ASSETS				
Current Financial Assets Available for Sale	200	254	200	254
Non Current Financial Assets Available for Sale	569	-	569	50
Total Financial Assets Available for Sale	769	254	769	304
Available for sale financial assets comprise:				
Listed investments, at fair value				
– shares in listed corporations	87	141	87	141
	87	141	87	141
Unlisted investments, at fair value				
– units in property syndicates	113	113	113	113
– units in unlisted trust	89	-	89	-
– interest in associate	480	-	480	-
	682	113	682	113

Available for sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

Impairment Losses

The impairment loss recognised in the Income Statement during the year amounted to $340,648 (2008: $1,500,000) and is separately presented in the Income Statement as "Impairment of Assets". Of the total amount disclosed $183,939 relates to the impairment of available for sale financial assets. Of this amount, $129,314 related to prior year losses which were previously allocated to a financial reserve and not the profit and loss.

On 16 April the Group bought back for a total of one dollar consideration, 5,000,000 shares it issued in December 2007 to purchase QTIF Pty Ltd. This has resulted in a decrease of $1,500,000 of shares in controlled entities. As a provision was raised in 2008 for this amount there is no Profit and Loss impact in the current year.

The impairment loss in relation to QTIF Pty Ltd has not been attributed to a specific business segment as it is eliminated on consolidation.

Change In Ownership

The Consolidated Group has a 10% interest (2008: 50%) in the Kingscliff Land Unit Trust, whose principal activity is to rezone and subsequently develop approximately 40 hectares of land into residential lots in Kingscliff, New South Wales. In February 2009 a recapitalisation agreement was entered into whereby loans made to the trust by existing parties were converted to capital and new investors contributed an additional $714,080 in return for an 80% equity interest. The recapitalisation was necessary to ensure the venture could continue to operate as a going concern and still provides the opportunity for initial investors to recoup their investment if the development goes ahead. Details of the transaction were as follows:

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
Initial Investment	50	50	50	50
Loans Advanced to Unit Trust	249	267	249	267
Total Amount Contributed/Converted to Equity	299	317	299	317
Additional Capital Contributed By New Investors (80%)	714	-	714	-
Adjusted Capital of Unit Trust (100%)	893	-	893	-
Viento Group Portion of Unit Trust (10%)	89	-	89	-
Loss on Investment	(210)	-	(210)	-

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
17. OTHER ASSETS				
Other Current Assets				
Prepayments	209	22	117	6
Security deposits	23	113	23	113
	232	135	140	119
Other Non-Current Assets				
Security deposits	-	-	-	-
Deferred fund establishment costs	-	771	-	-
	-	771	-	-

	Country of Incorporation	Percentage Owned (%)	
		2009	2008
18. CONTROLLED ENTITIES			
(a) Controlled Entities			
Parent Entity			
Viento Group Ltd	Australia		
Subsidiaries of Viento Group Ltd			
Constance Range Pty Ltd	Australia	100	100
QTIF Pty Ltd	Australia	100	100
Viento Capital Pty Ltd	Australia	100	100
Viento Finance Pty Ltd	Australia	100	100
Viento Forestry Pty Ltd	Australia	100	100
Viento Investment Pty Ltd	Australia	100	100
Viento Management Pty Ltd	Australia	100	100
Viento Meta Growth Pty Ltd	Australia	100	100
Viento Mortgages Pty Ltd	Australia	100	100
Viento Property Ltd	Australia	100	100
Viento Global Properties Pty Ltd	Australia	100	50
Convex Alternative Strategies Pty Ltd	Australia	62.5	50

All entities have a financial year end of 30 June 2009.

18. CONTROLLED ENTITIES (CONT.)

(b) Acquisition of Controlled Entities

In April 2009, the Group, through QTIF Pty Ltd, acquired the remaining 50% of shares in Viento Global Properties Pty Ltd for one dollar in cash. In the 6 months to June 30 June 2009 the subsidiary contributed nil net profit. If the acquisition had occurred on 1 July 2008, management estimates the consolidated revenue would have been $69,506 and the consolidated loss would have been $2,874. In determining these amounts management believes that the fair value adjustments which arose on the date of acquisition would have been the same if the acquisition occurred on 1 July 2008.

The acquisition had the following effect on the Groups assets and liabilities on acquisition date:

	Pre Acquisition Carrying Amounts	Fair Value Adjustments	Recognised Values on Acquisition
Trade and Other Receivables	2	(2)	-
Cash and Cash Equivalents	1	-	1
Loans and Borrowings	(512)	512	-
Trade and Other Payables	(24)	24	-
Net Identifiable Assets and Liabilities	(533)	534	1
Discount on Acquisition			1
Consideration Paid			-
Cash Acquired			1
Total Cash Outflow/(Inflow)			(1)

Pre-acquisition carrying amounts were determined based on applicable AASB's immediately before the acquisition. The value of the assets, liabilities and contingent liabilities recognised acquisition are their estimated fair values. Loans and payables were amounts owing to the parent at time of acquisition. These loans and payables were forgiven on acquisition.

(c) Acquisition of Minority Interests

In April 2009, the Group, through its subsidiary QTIF Pty Ltd, acquired an additional 12.5% interest in Convex Alternative Strategies Pty Ltd (formerly Viento Alternative Strategies) for one dollar. This increased the Groups ownership from 50% to 62.5%. The carrying amount of the net assets in the consolidated financial statements on the day of acquisition was nil as the net losses exceed the value of the Groups interest.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
19. PLANT AND EQUIPMENT				
Plant and equipment at cost	461	900	451	890
Accumulated depreciation	(219)	(494)	(209)	(484)
Total plant and equipment	242	406	242	406
Movements in Carrying Amounts Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year				
Balance at the beginning of the year	406	336	406	336
Additions	23	293	23	293
Disposals	(52)	(54)	(52)	(54)
Depreciation expense	(135)	(169)	(135)	(169)
Carrying amount at the end of the year	242	406	242	406

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
20. BIOLOGICAL ASSETS				
At net market value:				
Opening balance	1,649	1,471	1,649	1,471
Acquisitions	41	-	41	-
Maintenance, rent and insurance	82	76	82	76
Market value increment/(decrement)	(47)	102	(47)	102
Closing balance	1,725	1,649	1,725	1,649

(a) Nature of Asset

The Company maintains ownership of Eucalyptus Globulus trees growing on 370 hectares (2008: 361 hectares) on Kangaroo Island, South Australia.

Plantation values are not static. Trees are capable of biological growth and will change in value over time as the trees mature. They will also change in value as woodchip prices change, or if growth or health of plantation trees are affected by various agricultural risks such as drought, fire and pest damage.

The net market value of the asset has been determined in accordance with an independent valuation carried out on 10 August 2009 by Mr David Geddes, BSc (For), AQIMM, MACFA, CPMgr, of Geddes Management Pty Ltd.

(b) Acquisitions

The Group acquired an additional 9 hectares of plantations during the year following forfeiture of a loan. The 9 hectares were held as security over the loan, which reverted to the Group upon receipt of final dividend bankruptcy payment by the debtor.

(c) Assumptions

Significant assumptions made in determining the net market value of the plantation timber include:

i) the discount rate used in the valuation was 9.14%;
ii) the long term inflation rate for Australia used was 1.5% and the risk free rate of return was 5.75%;
iii) the valuation was conducted on a pre tax basis; and
iv) it has been assumed that an export facility will be constructed on Kangaroo Island prior to the scheduled harvest in 2015.

(d) Other Risks

i) Without the development of an export facility the value of the trees is negligible;
ii) Maintenance of projected growth rates until time of harvest – any period of projected drought can adversely impact on growth rates;
iii) The achievement of woodchip prices – blue gum woodchip prices have retained value in the last 12 months when many other commodities exported from Australia have significantly dropped in price as a result of global economic turmoil. An oversupply of woodchip from Australia in the next few years could adversely impact prices, but the pricing strength in the last 12 months and the "preferred product" status of blue gum woodchip, suggests little negativity in future woodchip pricing;
iv) Interest rates, inflation rates and bond rates all impact the discount rate used in valuation calculations. Any increase in the discount rate will adversely impact future tree values; and
v) Harvesting and port handling costs – any increase in these costs will reduce future tree values.

(e) Other Information

There are an estimated 17,500 hectares of plantations of both Tasmanian Blue Gums (14,000) and Pine (3,500) on the Island. These plantations are estimated to produce over 3 million cubic metres of wood chips over a ten year period. The value per annum of this production is estimated to be $30m.

Over the period since the Company first planted Tasmanian blue gums on the island annual growth has been in the range of 18 to 25 mean annual increment per cubic metre representing a commercially sustainable growth rate.

The Directors believe that the existing plantations and the good growth of the plantations make a strong case for a commercial wood chipping operation to be developed on the Island. The cost of building a full port facility on the island is estimated to be no greater than $30m which based on the production rates above could be recovered one year into a ten year cutting plan.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
21. INTANGIBLE ASSETS				
Goodwill				
Goodwill at cost	2,182	2,182	-	-
Accumulated impaired losses	(2,182)	(2,182)	-	-
Net carrying value	-	-	-	-
Trademarks				
Trademarks at cost	14	29	14	29
Accumulated impaired losses	-	-	-	-
Net carrying value	14	29	14	29
Total Intangibles	**14**	**29**	**14**	**29**
Movements in carrying amounts				
Goodwill				
Balance at the beginning of the year	-	279	-	-
Acquisitions through business combinations	-	1,630	-	-
Impairment losses	-	(1,909)	-	-
Carrying amount at the end of the year	-	-	-	-
Trademarks				
Balance at the beginning of the year	29	-	29	-
(Reversal of Provisions)/Acquisitions	(15)	29	(15)	29
Impairment losses	-	-	-	-
Carrying amount at the end of the year	**14**	**29**	**14**	**29**

Trademarks have an indefinite life and are being carried at cost. As the trademark is the name "Viento" it is envisaged it will be used indefinitely in association with the investment products and services that are offered by the Consolidated Group.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
22. TRADE & OTHER PAYABLES				
Current				
Trade creditors	396	398	270	398
Sundry creditors and accruals	327	1,532	72	1,053
Amounts payable by joint venture operation	-	574	-	574
	723	2,504	342	2,025
Non-Current				
Tax funding payable	-	-	3,470	962
Amounts payable by joint venture operation	-	-	-	-
	-	-	3,470	962

	Note	Consolidated Group 2009 $000	Consolidated Group 2008 $000	Parent Entity 2009 $000	Parent Entity 2008 $000
23. FINANCIAL LIABILITIES					
Current					
Other loans - unsecured		-	-	-	-
Other loans - secured	(c)(i)	-	4,504	-	4,504
Convertible notes - unsecured	(d)	-	-	-	-
		-	4,504	-	4,504
Non-Current					
Other loans - secured	(c)(i)	-	-	-	-
Convertible notes - unsecured	(d)	-	-	-	-
		-	-	-	-
(a) Total current & non-current secured liabilities:					
Other loans		-	4,504	-	4,504
		-	4,504	-	4,504
(b) The carrying amounts of current and non-current assets pledged as security for current and non-current liabilities:					
Current Assets					
First Mortgage					
Inventories – land held for resale at cost		-	5,077	-	5,077
Fixed & Floating Charge					
Cash assets		-	1,774	-	1,774
Receivables		-	521	-	521
Other financial assets		-	254	-	254
Other assets		-	119	-	119
Current Assets Pledged as Security		-	7,745	-	7,745
Non-Current Assets					
First Mortgage					
Inventories – land held for resale at cost		-	-	-	-
Fixed & Floating Charge					
Receivables		-	4,807	-	4,807
Financial assets		-	2,425	-	2,425
Other assets		-	5,495	-	5,495
Non-Current Assets Pledged as Security		-	12,727	-	12,727
Total Assets Pledged as Security		**-**	**20,472**	**-**	**20,472**

(c) Secured liabilities

(i) Secured liabilities consisted of assurances provided by Viento Group Ltd in respect of its 50% interest in the Cudgen Joint Venture. Following the recapitalisation agreement where Viento decreased its interest in the venture to 10% (note 15(b)), new finance was obtained and Viento was released from all obligations under the previous finance arrangements.

(ii) The Company had a $1 million overdraft facility with National Australia Bank Ltd. The facility was secured by a registered mortgage debenture over the whole of the Company's assets. The facility was reviewed on 31 January 2009 and subsequently cancelled.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
23. FINANCIAL LIABILITIES (CONT.)				
(d) Convertible Notes:				
Proceeds from issue of convertible notes	-	2,941	-	2,941
Amount classified as equity on issue	-	(164)	-	(164)
Accreted interest capitalised	-	122	-	122
Reclassification of convertible loan notes to equity	-	(2,899)	-	(2,899)
Carrying amount of liability at 30 June 2009	-	-	-	-

The notes converted into 4,201,120 ordinary shares at $0.70 per share on 31 December 2008.
On 25 February 2008, the Convertible Note Deed between the Company and Bydand Capital Pty Ltd was amended. The effect of the amendment was to remove the obligation of the Company to repay the amount advanced of $2,940,784 on maturity and for the notes to be converted on that date provided that there are no moneys owing pursuant to the original deed. Due to this amendment, the convertible notes have been reclassified to equity.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
24. TAX				
(a) Assets				
NON-CURRENT				
Deferred tax assets comprises:				
Provisions	63	182	55	175
Impairment of assets	1,483	908	1,326	857
Future income tax benefits of losses	1,896	922	3,305	2,364
Other	14	15	14	15
Write off DTA to Income Statement	(3,456)	-	(4,700)	-
	-	2,027	-	3,411
Movements in deferred tax assets:				
Opening balance	2,027	1,278	3,411	1,864
Credited/(Charged) to Income Statement	1,430	749	1,289	1,547
Write off DTA to Income Statement	(3,457)	-	(4,700)	-
Closing balance	-	2,027	-	3,411
(b) Liabilities				
NON-CURRENT				
Deferred tax liabilities comprise:				
Tax allowances relating to property, plant & equipment	7	12	7	12
Fair value gain adjustments	504	494	504	494
Other	486	497	485	497
Write off DTA to Income Statement	(997)	-	(996)	-
	-	1,003	-	1,003

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
24. TAX (CONT.)				
(b) Liabilities (cont.)				
Movements in deferred tax liabilities:				
Opening balance	1,003	1,067	1,003	976
Current year – charge/(credit) to Income Statement	(14)	(64)	(15)	27
Current year – charge/(credit) to equity	8	-	8	-
Write off DTA to Income Statement	(997)	-	(996)	-
Closing balance	-	1,003	-	1,003

The Directors have written off the recognised Deferred Tax Assets relating predominately to unused tax losses to the extent that they exceed Deferred Tax Liabilities. The gross amount of $2,459,000 (consolidated) and $3,704,000 (parent) has not been recognised as the Directors do not believe there is convincing evidence that there will be taxable profits against which to utilise these losses.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
25. PROVISIONS				
Analysis of Total Provisions				
Employee Benefits Current – Annual Leave	32	189	32	189
Employee Benefits Non Current – Long Service Leave	11	3	11	3
	43	192	43	192

Provision for Long Term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
26. OTHER LIABILITIES				
Current				
Unearned Income	59	66	-	14

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
27. ISSUED CAPITAL				
Ordinary shares – fully paid	19,231	19,111	19,231	19,111
Ordinary shares – partly paid	-	45	-	45
	19,231	19,156	19,231	19,156

The Company does not have authorised capital or par value in respect of its issued shares.

(a) Ordinary shares

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

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

Partly paid shares carry rights to dividends and voting rights in proportion to the extent to which they are paid up. The shares will rank equally with existing ordinary shares when fully paid.

Following Shareholder approval on 16 April 2009, 5,000,000 shares which were issued to purchase QTIF Pty Ltd in December 2007, were bought back by the Company for total consideration of one dollar.

(b) Partly Paid Shares

Following Shareholder approval on 16 April 2009 the Company cancelled 4,500,000 partly paid shares. The shares were issued on 27 March 2008 and paid to $0.01 per share, with the balance of $0.56 payable on or before 31 December 2008. The shares were issued pursuant to Shareholder approval granted on 27 March 2008.

(c) Options

(i) For information relating to any share options issued to Key Management Personnel during the financial year and the options outstanding at year-end, refer to Note 5.

(ii) For information relating to options issued, exercised and lapsed during the financial year and the options outstanding at year-end refer to Note 35.

28. RESERVES

Share Based Payment Reserve

The share based payment reserve records items recognised as expenses on valuation of employee shares and share options.

Financial Assets Reserve

The financial assets reserve records revaluations of financial assets.

All movements and balances are disclosed in the Statement in Changes in Equity on page 27.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
29. CAPITAL & LEASING COMMITMENTS				
Operating lease commitments				
Non cancellable operating leases contracted for but not provided in the Financial Statements				
Payable:				
– not later than 12 months	333	487	333	487
– between 12 months and 5 years	864	1,257	864	1,257
– greater than 5 years	-	41	-	41
	1,197	1,785	1,197	1,785

The operating lease commitments relate predominately to the rental of three office properties. The Brisbane office lease is for a period of 5 years 8 months commencing on 1 January 2008. A new lease was entered into for the Melbourne office on 1 February 2009 which is for a period of two years. The Company has an option to renew this lease for an additional term of 2 years. During the year the Perth office lease expired and was not renewed.

30. CONTINGENT LIABILITIES

Estimates of the potential financial effect of contingent liabilities that may become payable:

The Commonwealth Bank holds performance guarantees relating to the rental of the Melbourne office premises to the value of $22,821 (2008: $112,730). The Company has provided a deposit of $22,821 to the Bank as security in relation to the guarantee. The National Australia bank holds a performance guarantee relating to the rent of the Brisbane office premises to the value of $108,817 (2008: $108,817).

31. SEGMENT REPORTING

Geographical Segments

The Consolidated Group operates predominantly within Australia.

31. SEGMENT REPORTING (CONT.)

Primary Reporting – Business Segments

Segments	Property Syndicates & Funds Management		Forestry		Exploration	
	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000
Revenue						
External sales	2,549	8,544	52	169	11	253
Other segments	-	-	-	-	-	-
Total sales revenue	2,549	8,544	52	169	11	253
Unallocated revenue						
Total revenue						
Result						
Segment result	1,026	2,232	(30)	(51)	(19)	151
Unallocated expenses net of unallocated revenue						
Share of losses of associates and joint venture entities	-	(45)	-	-	-	-
Profit/(Loss) before income tax						
Income tax (expense)/benefit						
Profit after income tax						
Assets						
Segment assets	4,116	14,728	2,085	2,058	147	424
Unallocated assets						
Total assets						
Liabilities						
Segment Liabilities	666	10,558	2,107	2,084	-	121
Unallocated liabilities						
Total liabilities						
Other						
Investments accounted for using the equity method	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-
Write down of inventory	-	1,003	-	-	-	-
Other non-cash segment expenses	-	8	-	-	-	-

Alternative Investments		Finance		Eliminations		Consolidated Group	
2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000
-	-	39	65	-	-	2,652	9,031
-	-	-	-	-	-	-	-
-	-	39	65	-	-	2,652	9,031
						441	466
						3,093	**9,497**
-	(1,630)	28	(324)	-	-	1,005	378
						(7,175)	(3,325)
-	-	-	-	-	-	-	(45)
						(6,170)	(2,992)
						(939)	814
						(7,109)	**(2,178)**
-	1,356	34	180	-	-	6,382	18,746
						3,324	4,770
						9,706	**23,516**
-	164	-	218	(2,384)	(6,942)	389	6,203
						436	2,066
						825	**8,269**
-	-	-	-	-	-	-	-
-	1,630	-	279	-	-	-	1,909
-	-	-	-	-	-	-	1,003
-	-	-	-	-	-	-	8

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
32. CASH FLOW INFORMATION				
(a) Reconciliation of Cash Flow from Operations with the Profit/(Loss) after Income Tax				
Profit/(loss) after income tax	(8,469)	(2,179)	(7,692)	(3,860)
Non-cash flows in profit				
Profit on disposal of investments	-	(106)	-	(106)
Loss on disposal of assets	1,425	44	1,425	44
Equity accounted (gain)/losses	-	45	-	-
Gain on revaluation of biological assets	47	(102)	47	(102)
Depreciation	135	144	135	144
Impairment of goodwill	-	1,909	-	-
Impairment of available for sale financial assets	341	-	341	1,500
Doubtful debts	(2)	(26)	(2)	(26)
Employee benefits expense	873	521	873	521
Borrowing cost on convertible notes	42	79	42	79
Write down of receivable due in greater than 1 year	210	-	-	-
Write off deferred establishment costs	658	-	-	-
Write off loans to associates	1,272	-	1,149	-
Write down of inventories to net realisable value	-	1,003	-	1,003
Write downs to recoverable amounts of intercompany loans	-	-	(28)	34
Changes in Assets and Liabilities				
(Increase) / decrease in receivables and other assets	1,749	(3,733)	(16)	264
(Increase) / decrease in land held for resale	-	(299)	-	(299)
Increase / (decrease) in payables and provisions	(1,145)	404	(1,170)	825
Increase / (decrease) in income tax balances	1,024	(814)	1,024	(1,520)
Cash flows from operations	(1,840)	(3,110)	(3,872)	(1,499)

(b) Acquisition of Entities

During the year an additional 50% of Viento Global Property Pty Ltd was acquired for an acquisition consideration of $1 each. Cash acquired from Viento Global Property Pty Ltd was $1,000. See Note 18(b) for further details.

(c) Loan Facilities				
Loan facilities	-	4,504	-	4,504
Amount utilised	-	(4,504)	-	(4,504)
Unused loan facilities	-	-	-	-

(d) Credit Standby Arrangements with Banks				
Overdraft facility	-	1,000	-	1,000
Amount utilised	-	-	-	-
	-	1,000	-	1,000

The overdraft facility was subject to review on 31 March 2009 and not renewed.

33. RELATED PARTIES

(a) Parent entity

The Parent Entity within the Group is Viento Group Ltd.

(b) Key management personnel

Disclosures relating to Key Management Personnel remuneration and loan arrangements are set out in the Remuneration Report, Note 5 and Note 10(b). Other transactions with Key Management Personnel include:

The Company had a consultancy agreement with Koy Pty Ltd for the provision of Mr Nichevich's services in relation to the project management of the property subdivision syndicates effective from 1 March 2008. This agreement was terminated on 30 November when Mr Nichevich was re-appointed as Executive Chairman.

The Company paid interest on a convertible note facility to Bydand Capital Pty Ltd. Bydand Capital Pty Ltd was a Director related entity of a former Director, Mr Gordon.

The Company has a contract with Platinum Corporate Secretariat Pty Ltd as trustee for the Webse Discretionary Trust which commenced effective from 1 May 2009, for the provision of contractual company secretarial services. Platinum Corporate Secretariat Pty Ltd as trustee for the Webse Discretionary Trust is a Director related entity of the Company Secretary, Mr Webse.

On 16 April 2009 the Company cancelled the 23,100,000 options issued on 28 December 2007 to Queensland Technology Innovation Fund Pty Ltd as trustee for the Kluge Super Fund. The Kluge Super Fund is a related entity of former Director Mr Kluge.

On 16 April 2009 the Company bought back 5,000,000 shares as described in Note 5(c) and Note 27(a) from Queensland Technology Innovation Fund Pty Ltd as trustee for the Kluge Super Fund for total consideration of one dollar. The Kluge Super Fund is a related entity of former Director Mr Kluge.

On 16 April 2009 the Company cancelled the 4,500,000 partly paid shares described in Note 5(c) and Note 27(b) to Queensland Technology Innovation Fund Pty Ltd as trustee for the Kluge Unit Trust. The Kluge Unit Trust is a Director related entity of Mr Kluge.

Aggregate amounts of each of the transactions with Key Management Personnel are as follows:

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
Amounts recognised as revenue or expense:				
– Interest revenue	-	21	-	21
– Consultancy fee expense	205	646	205	646
– Interest expense	118	235	118	235

(c) Subsidiaries

Interests in subsidiaries are set out in Note 18. Loans advanced to wholly owned subsidiaries are interest free and have no fixed repayment dates.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
Loans to subsidiaries:				
Balance as at beginning of period	-	-	6,991	5,318
Loans advanced	-	-	367	1,925
Loan repayments received	-	-	(1,846)	(252)
Loans forgiven	-	-	(2,880)	-
Balance as at end of period	-	-	2,632	6,991
Provision for impairment on subsidiary loans	-	-	(2,099)	(5,097)
Amounts recognised as revenue or expense:				
– Dividends paid to Parent Entity	-	-	1,645	4,850

33. RELATED PARTIES (CONT.)

(d) Associated Entities

Interests in associated entities are set out in Note 14. Due to the acquisition of additional shares in Convex Alternative Strategies Pty Ltd and Viento Global Property Pty Ltd (see note 18) and the Kingscliff recapitalisation agreement (see note 16) no entities are recorded in the accounts as associates as at 30 June 2009.

The Company provided loan funding on commercial terms to Convex Alternative Strategies Pty Ltd (formerly Viento Alternative Strategies Pty Ltd) for agreed and budgeted operating expenses. Convex Alternative Strategies was an Associate Entity of the Group until April 2009 when it became a controlled entity.

The Company provided loan funding on commercial terms to Viento Global Property Pty Ltd for agreed and budgeted operating expenses. Viento Global Property was an Associate Entity of the Group until April 2009 when it became a controlled entity.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
Loans to associated entities:				
Balance as at beginning of period	1,547	186	1,547	186
Loans advanced	167	1,361	167	1,361
Loan repayments received	(196)	-	(196)	-
Loans converted to capital	(249)	-	(249)	-
Loans written off	(1,269)	-	(1,269)	-
Balance as at end of period	-	1,547	-	1,547
Amounts recognised as revenue or expense:				
– Interest revenue	61	45	61	45

The table above shows the actual balance of the loans at the dates each associate ceased being an associate. Following the acquisition of additional shares in Convex Alternative Strategies and Viento Global Properties an additional amount previously written off has been recovered. The amounts are $84,463 and $34,395 respectively. For the year ending 30 June 2009 the total expense of amounts written off to associates was $1,149,022.

(e) Joint Ventures

Interests in joint ventures are set out in Note 15. The loan advanced to Cudgen Joint Venture is interest free and has no fixed repayment date.

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
Loans to joint ventures:				
Balance as at beginning of period	778	578	778	578
Loans advanced	673	200	673	200
Loan repayments received	-	-	-	-
Loans converted to capital	(1,451)	-	(1,451)	-
Balance as at end of period	-	778	-	778

34. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and loans to and from subsidiaries. The main purpose of non-derivative financial instruments is to raise finance for Group operations.

Derivatives are not used by the Group.

(i) Treasury Risk Management

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

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

(ii) Financial Risk Exposures and Management

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

Interest Rate Risk

The Group's main interest rate risk arises from borrowings by an Associate Entity (see Note 23(c)(i) for detail). These borrowings are project specific on contracted terms as approved by the Board.

Liquidity Risk

The Group's main liquidity risks arise on cash and receivables balances that must be maintained under Australian Financial Services Licence requirements. As at balance date liquidity of $1,388,000 was restricted for this reason.

The Group manages liquidity risk by monitoring forecast cash flows, restructuring financial arrangements and ensuring that adequate unutilised borrowing facilities are maintained.

Credit Risk

At balance date the maximum exposure to credit risk to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Balance Sheet and notes to the financial statements.

The Group's principal exposure to financial instruments relates to receivables (mainly fees and recoverable expenses) from funds managed by Viento Property Ltd. At balance date these receivables represented 29% of Group financial assets. Valuations of property assets are provided to the Group every six months which currently show adequate net assets to be able to settle their debts.

Credit risk also arises in relation to financial guarantees given to certain other parties (see Note 23(c)(i) for detail). Such guarantees are only provided subject to specific Board approval.

(iii) Capital Management

Management controls the capital of the Group primarily to operate and grow a funds management business. This includes compliance with Australian Financial Services Licence requirements and ensuring the Group can fund its operations and continue as a going concern. Management looks to realise investments and release capital to achieve these aims.

The Group's debt and capital includes ordinary share capital, convertible notes and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to Shareholders and share issues.

With the change in the management team during the year, this strategy has been narrowed to focus on increasing funds under management.

All cash at bank and short term deposits of the Group are held with banks rated AA by Standard and Poor.

(b) Financial Instruments

(i) Financial Instrument Composition and Maturity Analysis

The tables on the following page reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the Balance Sheet.

34. FINANCIAL RISK MANAGEMENT (CONT.)

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing			
			Within 1 Year		1 to 5 Years	
	2009	2008	2009 $000	2008 $000	2009 $000	2008 $000
Consolidated Group						
Financial assets						
Cash and cash equivalents	2.60%	6.10%	-	-	-	-
Receivables	8.90%	9.70%	40	58	43	39
Investments	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Security deposits	3.65%	6.50%	23	113	-	-
Total Financial Assets			**63**	**171**	**43**	**39**
Financial liabilities						
Trade and sundry payables			-	-	-	-
Other loans	-	9.30%	-	3,446	-	-
Total Financial Liabilities			**-**	**3,446**	**-**	**-**
Parent Entity						
Financial assets						
Cash and cash equivalents	2.80%	5.80%	-	-	-	-
Receivables	8.90%	9.70%	40	58	43	39
Investments			-	-	-	-
Biological assets			-	-	-	-
Security deposits	3.65%	6.50%	23	113	-	-
Total Financial Assets			**63**	**171**	**43**	**39**
Financial liabilities						
Trade and sundry payables			-	-	-	-
Other loans	-	9.30%	-	3,446	-	-
Total Financial Liabilities				**3,446**	**-**	**-**

Over 5 Years		Floating Interest Rate		Non-interest Bearing		Total	
2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000
-	-	3,077	4,876	2	19	3,079	4,895
-	-	-	1,279	3,617	6,897	3,700	8,273
-	-	-	-	768	254	768	254
-	-	-	-	1,725	1,649	1,725	1,649
-	-	-	-	-	-	23	113
-	**-**	**3,077**	**6,155**	**6,112**	**8,819**	**9,295**	**15,184**
-	-	-	-	723	2,504	723	2,504
-	-	-	1,058	-	-	-	4,504
-	**-**	**-**	**1,058**	**723**	**2,504**	**723**	**7,008**
-	-	1,699	1,764	-	10	1,699	1,774
-	-	-	1,279	1,611	3,952	1,694	5,328
-	-	-	-	3,143	2,679	3,143	2,679
-	-	-	-	1,725	1,649	1,725	1,649
-	-	-	-	-	-	23	113
-	**-**	**1,699**	**3,043**	**6,479**	**8,290**	**8,284**	**11,543**
-	-	-	-	2,784	2,987	2,784	2,987
-	-	-	1,058	-	-	-	4,504
-	**-**	**-**	**1,058**	**2,784**	**2,987**	**2,784**	**7,491**

34. FINANCIAL RISK MANAGEMENT (CONT.)

(b) Financial Instruments (cont.)

(i) Financial Instrument Composition and Maturity Analysis (cont.)

Trade debtors are non-interest bearing and are generally on 30 to 60 day terms. No provision for impairment loss has been recognised on trade debtors at balance date as management are satisfied that payment will be received in full.

		Consolidated Group		Parent Entity	
	Note	2009 $000	2008 $000	2009 $000	2008 $000
The ageing analysis of trade debtors is as follows:					
0 – 30 days		914	216	117	139
31 – 60 days		-	32	-	29
61 – 90 days *		20	536	20	44
91 days + *		1,784	1,693	57	11
Trade Debtors	10	2,718	2,477	194	223

* considered past due but not impaired

		Consolidated Group		Parent Entity	
Trade and sundry payables are expected to be paid as follows:					
Less than 6 months		723	1,930	342	1,451
6 months to 1 year		-	574	-	574
1 to 5 years		-	-	2,351	962
Over 5 years		-	-	-	-
		723	2,504	2,693	2,987

(ii) Net Fair Values

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

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

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

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values due to the fact that they are either short-term in nature or interest bearing or both.

(iii) Sensitivity Analysis – Interest Rate Risk

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

	Consolidated Group		Parent Entity	
	2009 $000	2008 $000	2009 $000	2008 $000
Change in profit after tax				
– Increase in interest rate by 1%	22	36	12	14
– Decrease in interest rate by 1%	(22)	(36)	(12)	(14)
Change in equity				
– Increase in interest rate by 1%	22	36	12	14
– Decrease in interest rate by 1%	(22)	(36)	(12)	(14)

35. SHARE BASED PAYMENTS

No share based payments were made during the financial year ended 30 June 2009.

The following share-based payment arrangements existed at 30 June 2009:

- On 8 December 2004, 300,000 share options were granted to an employee, in three tranches of 100,000 options with an exercise price of $0.35 for the first tranche of 100,000 options and exercise prices of $0.40 for the second and third tranches of 100,000 share options. The three tranches of options are exercisable on 30 June 2007, 30 June 2008 and 30 June 2009 respectively. At balance date, 100,000 options had been exercised and 200,000 options had lapsed.

- On 1 August 2006, 100,000 share options were granted to an employee at an exercise price of $0.45 each. The options were exercisable on or before 30 April 2009. The options lapsed.

- On 1 August 2007, 100,000 share options were granted to an employee at an exercise price of $0.45. The options are exercisable on 30 June 2010 subject to achievement of performance hurdles. As the employee ceased employment the options lapsed.

- On 28 November 2007, 400,000 shares options were granted to a Non-Executive Director, in four tranches of 100,000 options. The first tranche has an exercise price of $0.50 and is exercisable on or before 28 November 2008. These options have lapsed. The second tranche has an exercise price of $0.85 and is exercisable between 28 November 2008 and 28 February 2011. The third tranche has an exercise price of $1.00 and is exercisable between 28 November 2009 and 28 February 2011. The fourth tranche has an exercise price of $1.15 and is exercisable between 28 November 2010 and 28 February 2011.

- On 28 December 2007, 23,100,000 shares options were granted to the former managing Director, in three tranches of 7,700,000 options. The first tranche had an exercise price of $0.85 and is exercisable between 30 November 2008 and 28 March 2011. The second tranche had an exercise price of $1.00 and is exercisable between 30 November 2009 and 28 March 2011. The third tranche had an exercise price of $1.15 and is exercisable between 30 November 2010 and 28 March 2011. These options were cancelled on 16 April 2009.

- On 28 March 2008, 300,000 shares options were granted to a Non-Executive Director, in three tranches of 100,000 options. The first trance has an exercise price of $0.85 and is exercisable between 28 November 2008 and 28 February 2011. The second tranche has an exercise price of $1.00 and is exercisable between 28 November 2009 and 28 February 2011. The third tranche has an exercise price of $1.15 and is exercisable between 28 November 2010 and 28 February 2011.

- On 28 March 2008, 300,000 shares options were granted to an employee, in three tranches of 100,000 options. The first trance has an exercise price of $0.85 and is exercisable on or before 28 February 2011. The second tranche has an exercise price of $1.00 and is exercisable between 28 November 2009 and 28 February 2011. The third tranche has an exercise price of $1.15 and is exercisable between 28 November 2010 and 28 February 2011.

All options granted to Key Management Personnel are over ordinary shares in Viento Group Ltd, which confer a right of one ordinary share for every option held.

35. SHARE BASED PAYMENTS (CONT.)

	Consolidated Group				Parent Entity			
	2009		2008		2009		2008	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year	24,400,000	0.99	650,000	0.41	24,400,000	0.99	650,000	0.41
Granted	500,000	1.00	24,200,000	1.00	500,000	1.00	24,200,000	1.00
Cancelled	(23,700,000)	1.00	-	-	(23,700,000)	1.00	-	-
Exercised	-	-	-	-	-	-	-	-
Expired	(300,000)	0.45	(450,000)	0.40	(300,000)	0.45	(450,000)	0.40
Outstanding at year-end	900,000	1.00	24,400,000	0.99	900,000	1.00	24,400,000	0.99
Exercisable at year-end	100,000	0.40	400,000	0.55	100,000	0.40	400,000	0.55

There were no options exercised during the year ended 30 June 2009.

The options outstanding at 30 June 2009 had a weighted average exercise price of $1.00 and a weighted average remaining contractual life of 1.7 years. Exercise prices range from $0.85 to $1.15 in respect of options outstanding at 30 June 2009.

Refer to Note 5 for details of options issued to Key Management Personnel.

The weighted average fair value of options granted during the year was $0.045. The fair value was calculated using a Black-Scholes option pricing model, applying the following inputs:

Weighted average exercise price	$1.00
Weighted average life of the option	3.25 years
Underlying share price	$0.15
Expected share price volatility	100%
Risk free interest rate	5.43%

The expected share price volatility data has been sourced from the Australian Graduate School of Management's Risk Measurement Service.

Included under employee benefits expense in the Income Statement is an expense of $873,000 (2008: $521,000). The majority of this relates to the adjustment of share based payment transactions following Key Management Personnel ceasing employment during the year.

36. AFTER BALANCE DATES EVENTS

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Group, the results of those operations or the state of affairs of the Consolidated Group in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Viento Group Ltd:

    a) the financial statements and notes, as set out on pages 25 to 70 are in accordance with the *Corporations Act 2001* including:

        i) give a true and fair view of the Company's and the Group's financial position as at 30 June 2009 and of their performance for the financial year ended on that date; and

        ii) complying with Australian Accounting Standards and other mandatory professional reporting requirements.

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

    c) 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. The Directors have been given the declarations by the Executive Chairman and Chief Accountant required by section 295A of the *Corporations Act 2001*.

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

R E King
Director

Dated this 31st day of August 2009.

PRICEWATERHOUSECOOPERS

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Independent Auditor's Report to the Members of Viento Group Ltd

Report on the financial report

We have audited the accompanying financial report of Viento Group Ltd the Company, 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, other explanatory notes and the Directors' declaration for both Viento Group Ltd and it's consolidated entities (The consolidated entity comprises 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 controls 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 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 judgement, 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by Directors or management.

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

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of Viento Group Ltd 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 consolidated financial statements and notes also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 15 of the Directors' report for the period 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 opinion 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 Viento Group Ltd and it's consolidated entities for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Pricewaterhouse Coopers

Pricewaterhouse Coopers

Timothy J Allman
Partner

Brisbane, 1 September 2009

STOCK EXCHANGE INFORMATION AS AT 1 OCTOBER 2009

Distribution of Shareholdings

Range	Number of Holders	Number of Ordinary Shares	% of Issued Capital
1 – 1,000	274	81,947	0.17
1001 – 5,000	242	600,679	1.27
5,001 – 10,000	92	677,632	1.43
10,001 – 100,000	163	5,752,342	12.16
More than 100,001	45	40,211,972	84.97
Total	816	47,324,572	100.00

Unmarketable Parcels

The number of Shareholders holding less than a marketable parcel is 488.

Twenty Largest Shareholders

Shareholder	Shares Held	% of Issued Capital
Merrill Lynch Aust Nom Pty Ltd <Berndale A/C>	6,658,880	14.07
Koy Pty Ltd	4,521,041	9.55
Deluge Holdings Pty Ltd <Nichevich Super Fund>	3,257,577	6.89
Moat Investment Pty Ltd <Moat Investment A/C>	2,987,568	6.31
Bell Potter Nominees Limited	2,901,000	6.13
ANZ Nominees Limited	2,803,464	5.92
Delta Ace Pty Ltd	2,781,120	5.88
Deluge Holdings Pty Ltd	2,097,423	4.43
Bydand Capital Pty Ltd	1,420,000	3.00
Castle Partners Pty Ltd	790,755	1.67
McMullin Nominees Pty Ltd	773,447	1.63
Taveroam Pty Ltd	700,000	1.48
R C Nichevich	635,000	1.34
S P Martin & L P Martin <Basil Martin Family A/C>	515,000	1.09
Greenridge Holdings Pty Ltd <Aspen Plains SVC A/C>	500,000	1.06
Vernon Finance Ltd	500,000	1.06
Chimaera Capital Ltd	380,000	0.80
Queensland Technology Innovation Fund Pty Ltd <Kluge Unit A/C>	369,566	0.78
O S Lennie	360,000	0.76
Indian Ocean Capital WA Pty Ltd <Indian Ocean S/F A/C>	350,000	0.74
John E Gill Trading Pty Ltd	343,250	0.73
Top 20 holders of fully paid shares (grouped)	**35,645,091**	**75.32**

Substantial Shareholders

Holder	Number of Ordinary Shares	% of Issued Capital
Koy Pty Ltd / R C Nichevich / Deluge Holdings Pty Ltd	10,860,000	22.95
Timebuild Pty Ltd	6,658,880	14.07
Moat Investment Pty Ltd <Moat Investment A/C>	2,987,586	6.31

STOCK EXCHANGE INFORMATION AS AT 1 OCTOBER 2009 (CONT.)

Voting Rights

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

Partly paid shares: On a show of hands the member present in person or by proxy shall have voting rights in proportion to the extent to which the partly paid shares are paid up.

Options: No voting rights attach to the options.

Convertible Notes: No voting rights are attached to the convertible notes.

UNQUOTED SECURITIES

Options

A total of 1,040,000 unlisted options are on issue. The holders of the unlisted options are as follows:

Exercise Date	Exercise Price	Number of Options	Name of Holder
28/02/11	$0.85	100,000	J S & M B Diamond <Diamond Super Fund>
28/02/11	$0.85	100,000	Alldan Nominees Pty Ltd <Alldan Superannuation Fund>
28/02/11	$0.85	100,000	Platinum Corporate Secretariat Pty Ltd <Webse Discretionary Trust>
28/02/11	$1.00	100,000	J S & M B Diamond <Diamond Super Fund>
28/02/11	$1.00	100,000	Alldan Nominees Pty Ltd <Alldan Superannuation Fund>
28/02/11	$1.00	100,000	Platinum Corporate Secretariat Pty Ltd <Webse Discretionary Trust>
28/02/11	$1.15	100,000	J S & M B Diamond <Diamond Super Fund>
28/02/11	$1.15	100,000	Alldan Nominees Pty Ltd <Alldan Superannuation Fund>
28/02/11	$1.15	100,000	Platinum Corporate Secretariat Pty Ltd <Webse Discretionary Trust>
1/07/10	$0.10	20,000	A Cahill
1/07/10	$0.10	20,000	H S Chia
1/07/10	$0.10	20,000	D R Wright
1/07/10	$0.10	20,000	G M Dowsley
1/07/10	$0.10	20,000	S B Knobel
1/07/10	$0.10	20,000	L C H Kypros
1/07/10	$0.10	20,000	L Piccardini

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VIENTO
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