

Appendix 4E

Preliminary final report

1. Details of reporting period

Name of Entity	Viento Group Limited
ABN	79 000 714 054
Financial Year Ended	30 June 2013
Previous Corresponding Period	30 June 2012

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities (<i>continuing operations only</i>)	Up	945%	to	\$24,415
Loss from ordinary activities after tax attributable to members	down	n/a	to	(\$4,461)
Net Loss for the period attributable to members	down	n/a	to	(\$4,445)
		Amount Per Security		Franked Amount Per Security
Final Dividend		Nil		Nil
Interim Dividend		Nil		Nil
Previous Corresponding Period		Nil		Nil
Record Date for Determining Entitlements	Not Applicable			

Brief explanation of any of the figures reported above necessary to enable figures to be understood:

The consolidated loss of the Group after providing for income tax amounted to \$4.461 million (2012: profit \$700,000). Revenue for the year was \$24.415 million (2012: \$2.583 million excluding discontinued operations) and the loss before tax was \$5.724 million (2012: profit \$1.009 million).

This result was impacted by a number of financial adjustments and write downs of past investments detailed as follows:

Devaluation of the Kangaroo Island biological investment and provisions	\$1,464,000
Devaluation of Kingscliff investment and provisions	\$644,000
Expensing staff, Director and consultant options	<u>\$1,480,000</u>
Total of non cash write offs	\$3,588,000

The biological assets of the Group have been impaired to nil in the year to 30 June 2013. The asset is considered non-core to the new direction of Viento into mining services.

See the Statement of Comprehensive Income below.

3. Consolidated Statement of Comprehensive Income

See attached.

4. Consolidated Statement of Financial Position

See attached.

5. Consolidated Statement of Cash Flows

See attached.

6. Dividends

A dividend has not been declared for the year ended 30 June 2013.

7. Dividend reinvestment plans

There are no dividends reinvestment plans in place.

8. Consolidated retained earnings

See attached Statement of Changes in Equity.

9. Net tangible asset backing

	30 June 2013	30 June 2012
Net tangible backing per ordinary security	21.5 cents	25.3 cents

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

On the 31 July 2012 Viento acquired 75% of the voting shares of Mineworks Group Pty Ltd, an unlisted company based in Australia which offers a full range of mining support services from equipment supply and maintenance to labour hire of skilled staff.

In May 2013 Viento incorporated a new subsidiary company, Viento Mining Services Pty Ltd to specialise in developing and managing extraction of ore bodies as well as supporting infrastructure to established mining and earthworks projects. The entity is 100% owned by Viento. It is expected that management of the subsidiary will become shareholders of the entity thus reducing Viento's interest below 100%. There were no operations during the year to 30 June 2013.

In June 2012 Viento incorporated a new subsidiary company, KVG Joint Venture Pty Ltd. The venture sets out to offer employment opportunities to the Banjyma region of the Pilbara. Our aim is to lay the foundations for future Banjyma generations to continually build and improve with opportunities and services to these grass roots communities. The company is 50% owned by Viento and is deemed to be under Viento control. There were no operations during the year to 30 June 2013.

11. Details of associate and joint venture entities

No changes

12. Any other significant information needed by an investor to make an informed assessment of the economic entity's financial performance and financial position

See notes.

13. Foreign entities

Not applicable.

14. Commentary on results for period

The consolidated result for the year after providing for income tax was a loss of \$4,461,000 (2012 profit of \$700,000). Profit before tax was a loss of \$5,724,000 (2012 profit of \$1,009,000).

This result was impacted by a number of financial adjustments and write downs of past investments detailed as follows;

Devaluation of the Kangaroo Island biological investment and provisions	\$1,464,000
Devaluation of Kingscliff Investment and provisions	\$644,000
Expensing staff, Director and consultant options	<u>\$1,480,000</u>
Total of non cash write offs	\$3,588,000

The impact of the non cash write offs is that the operations of the Group incurred a pre tax loss of \$2,136,000. This result is well within the expectations of the Directors as a cost of establishing the new business civil/mining contracting business in the Pilbara region of Western Australia.

The biological assets of the Group have been impaired to nil in the year to 30 June 2013. The asset is considered non-core to the new direction of the Group into mining services.

In establishing this new business the Directors strategically decided to develop the business from the ground up. These new businesses started operations in July 2012 and achieved sales of \$7,554,000 despite the difficult economic conditions since September 2012.

The acquisition of Mineworks Group on 1 August 2012 contributed \$16,043,000 in revenue. Total Group revenue was \$24,415,000.

During the year the Group focused on establishing its credentials, developing and implementing the necessary operating systems to enable the awarding of civil contracts to the Group. Since May 2013 this extensive effort was rewarded with the awarding of approximately \$30 million worth of contracts to the Group.

The Directors are pleased with the success in establishing the Group and the award of these contracts. The Group has been invited to submit prices on tenders for a number of projects.

As part of the Group philosophy of supporting indigenous training and business, joint ventures have been started with Koodaideri and assistance has been provided to a number of other indigenous groups on various projects.

The Group is buoyed by the recent successes and looks forward to more robust and confident market for iron ore, oil and gas in Western Australia in the coming financial year and future years. We believe our strategy of an integrated contracting service provider to the north west of Western Australia and operating in an efficient client focused way will ensure our success.

15. Audit/Review Status

This report is based on accounts to which one of the following applies (tick one):

The accounts have been audited

The accounts have been subject to review

The accounts are in the process of being audited or subject to review



The accounts have not yet been audited or reviewed

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

The accounting treatment in relation to Qld Iron tenement, the basis of the 2011 audit qualification will continue to be the basis of a qualified audit opinions during 2013 in relation to this balance.

16. Details of Annual General Meeting

Date	Expected to be Thursday, 28 November 2013
Place	TBC
Time	TBC



Rob Nichevich
Director

30 August 2013

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$000	2012 \$000
Revenue	1	24,313	2,583
Other income	1	102	-
Profit from discontinued operations after tax		-	4,112
Loss on disposal of controlled entity		-	(2,150)
Employee benefits expense		(12,852)	(1,024)
Operating expense		(7,549)	-
Professional services fees		(1,553)	(713)
Commission expense		(168)	(363)
Occupancy expense		(919)	(225)
Finance expense		(940)	(12)
Administration expense		(1,534)	(226)
Other expenses		(157)	
Depreciation and amortisation expense		(2,202)	(11)
Bad & doubtful debts expense		(483)	(78)
Change in fair values of financial assets		(1,782)	(884)
(Loss)/Profit before income tax expense		(5,724)	1,009
Income tax (expense)/benefit		1,263	(309)
Net (Loss)/Profit for the year		(4,461)	700
Other comprehensive income			
Net revaluation of listed investments		45	27
Other comprehensive income for the year net of tax		45	27
Total comprehensive income for the year		(4,416)	727
(Loss)/Profit attributable to:			
Members of the parent entity		(4,445)	700
Non-controlling interest		(16)	-
		(4,461)	700
Total comprehensive income attributable to:			
Members of the parent entity		(4,400)	727
Non-controlling interest		(16)	-
		(4,416)	727
Overall Operations			
Basic earnings per share (cents per share)		(6.55)	1.28
Diluted earnings per share (cents per share)		(6.53)	1.27
Continuing Operations			
Basic earnings per share (cents per share)		(6.55)	(6.21)
Diluted earnings per share (cents per share)		(6.53)	(6.20)
Discontinued Operations			
Basic earnings per share (cents per share)		n/a	7.49
Diluted earnings per share (cents per share)		n/a	7.47

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 \$000	2012 \$000
Current Assets			
Cash and cash equivalents		1,340	4,558
Trade and other receivables		9,970	2,461
Inventories		720	-
Financial assets		2,641	1,732
Other current assets		220	517
Total Current Assets		14,891	9,268
Non Current Assets			
Trade and other receivables		384	340
Financial assets		1,753	3,204
Plant and equipment	3	16,121	5,995
Biological assets	4	-	1,180
Deferred tax assets		3,945	2,454
Intangible assets		164	14
Total Non Current Assets		22,367	13,187
Total Assets		37,258	22,455
Current Liabilities			
Trade and other payables		7,251	3,242
Short-term provisions		244	45
Current tax liabilities		75	-
Other current liabilities		-	64
Loans and borrowings	5	4,322	1,035
Total Current Liabilities		11,892	4,386
Non Current Liabilities			
Loans and borrowings	5	7,074	1,284
Deferred tax liabilities		893	913
Other non current liabilities		45	-
Long-term provisions		20	19
Total Non Current Liabilities		8,032	2,216
Total Liabilities		19,924	6,602
Net Assets		17,334	15,853
Equity			
Issued capital		26,437	22,256
Reserves		2,996	1,565
Accumulated losses		(12,465)	(7,968)
Minority interests		366	-
Total Equity		17,334	15,853

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
	Share Capital Ordinary	Share Based Payments Reserve	Financial Assets Reserve	Accumulat ed losses	Total	Non- controlling interest	Total	
CONSOLIDATED GROUP	<i>Note</i>							
Balance at 30 June 2011		20,236	1,390	87	(8,668)	13,045	-	13,045
Profit attributable to members of the parent entity		-	-	-	700	700	-	700
Total other comprehensive income for the year		-	-	27	-	27	-	27
Exercise of options		20	-	-	-	20	-	20
Options issued as remuneration		-	61	-	-	61	-	61
Issue of share capital		2,050	-	-	-	2,050	-	2,050
Cancellation of shares		(50)	-	-	-	(50)	-	(50)
Balance at 30 June 2012		22,256	1,451	114	(7,968)	15,853	-	15,853
Balance at 30 June 2012		22,256	1,451	114	(7,968)	15,853	-	15,853
Loss attributable to members of the parent entity		-	-	-	(4,477)	(4,477)	16	(4,461)
Total other comprehensive income for the year		-	-	(45)	-	(45)	-	(45)
Exercise of options		8	-	-	-	8	-	8
Options issued as remuneration		-	1,476	-	-	1,476	-	1,476
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	350	350
Issue of share capital, net of transaction costs and tax		4,173	-	-	-	4,173	-	4,173
Dividends paid or provided for		-	-	-	(20)	(20)	-	(20)
Balance at 30 June 2013		26,437	2,927	69	(12,465)	16,968	366	17,334

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	CONSOLIDATED GROUP	
	2013	2012
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	19,886	4,806
Payments to suppliers and employees	(19,220)	(2,907)
Interest received	185	404
Finance expenses paid	(921)	(12)
Income taxes paid	(152)	-
Net cash (used in) / provided by operating activities	(222)	2,291
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of:		
– Plant and equipment	(3,529)	(5,911)
– Forestry plantations	(67)	(112)
– Exploration costs	-	(45)
Proceeds from sale of plant and equipment	505	-
Loans to:		
– Related parties	(333)	(1,458)
Net cash inflow from acquisition of subsidiary	429	-
Loans repaid by:		
– Related parties	165	974
– Proceeds from disposal of subsidiary	-	1,624
Net cash used in investing activities	(2,830)	(4,928)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares:		
– Issuing shares (net of share issue costs)	4,081	2,050
– Exercise of options	8	20
Repayment of loans	32	-
Repayment of borrowings	(3,889)	-
Proceeds from borrowings	-	2,394
Settlement of pre-acquisition transaction	(397)	-
Net cash (used in)/provided by financing activities	(166)	4,464
Net (decrease)/increase in cash held	(3,218)	1,827
Cash at the beginning of the year	4,558	2,731
Cash at the end of the year	1,340	4,558

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$000	\$000
1. REVENUE		
Sales Revenue		
– Subdivision Settlement Fees	915	2,007
– Management Fees	212	140
– Mining Services income	23,010	-
– Interest Received	102	407
– Other Revenue	175	29
Total Revenue	<u>24,415</u>	<u>2,583</u>

2. CONTROLLED ENTITIES

Acquisitions of Mineworks Group Pty Ltd

On the 31 July 2012 the Group acquired 75% of the voting shares of Mineworks Group Pty Ltd, an unlisted company based in Australia which offers a full range of mining support services from equipment supply and maintenance to labour hire of skilled staff. The Consolidated Group has acquired Mineworks Group Pty Ltd due to its presence in the mining services industry and synergies within the Consolidated Group reflected in the goodwill calculation below. The acquisitions have been accounted for using the partial goodwill method of accounting. The acquisition date fair value is preliminary and may be adjusted. The consolidated financial statements include the results of Mineworks Group Pty Ltd for the eleven month period from the acquisition date.

The provisional fair value of the identifiable assets and liabilities of Mineworks Group Pty Ltd as at the date of acquisition was:

Fair value of consideration transferred	\$000
Cash paid	1,000
Deferred consideration (1 August 2013)	200
	<u>1,200</u>
CURRENT ASSETS	
Cash & cash equivalents	1,449
Trade & other receivables	2,434
Inventories	266
Other current assets	145
	<u>4,294</u>
NON-CURRENT ASSETS	
Property, plant & equipment	2,794
Deferred tax assets	52
Other Non-Current Assets	84
	<u>2,930</u>
CURRENT LIABILITIES	
Trade & other payables	1,938
Loans & borrowings	1,825
Current tax liabilities	115
Provisions	119
	<u>3,997</u>
NON-CURRENT LIABILITIES	
Loans & borrowings	1,827
	<u>1,827</u>
Net identifiable assets acquired	<u>1,400</u>

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

2. CONTROLLED ENTITIES (cont.)

Net identifiable assets acquired	1,400
Less non-controlling interest (25%)	(350)
Add goodwill	150
	<u>1,200</u>
Consideration transferred settled in cash	(1,000)
Cash and cash equivalents acquired	1,449
Net cash inflow on acquisition	449
Acquisition costs charged to expenses	(20)
Net cash inflow relating to the acquisition	429

In the eleven months to 30 June 2013 Mineworks contributed revenue of \$16,043,000 and profit after tax of \$53,000 to the Group's result. If the acquisition had occurred on 1 July 2012, management estimates that consolidated revenue would have been \$25,425,000 and consolidated loss after tax for the year would have been \$4,311,000. In determining these amounts management has assumed that the fair value adjustments determined provisionally, that arose on the date of acquisition would have been the same had the acquisition had occurred on 1 July 2012.

The gross amount of trade and other receivables is \$2,434,000, and this amount has been recognised as the fair value of trade and other receivables. None of the trade and other receivables have been impaired and it is expected that the full contractual amounts can be collected.

There are no contingent liabilities associated with the acquisition.

	2013	2012
	\$000	\$000
3. PLANT AND EQUIPMENT		
Plant and equipment at cost	19,288	6,272
Accumulated depreciation	(3,167)	(277)
Total plant and equipment	<u>16,121</u>	<u>5,995</u>
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	5,995	122
Acquisition of Mineworks Group plant and equipment	2,794	-
Additions	10,698	5,911
Disposals	(1,164)	-
Depreciation expense	(2,202)	(38)
Carrying amount at the end of the year	<u>16,121</u>	<u>5,995</u>
4. BIOLOGICAL ASSETS		
At net market value:		
Opening balance	1,180	1,952
Acquisitions	-	-
Maintenance, rent and insurance	67	112
Fair value decrement	(1,247)	(884)
Closing balance	<u>-</u>	<u>1,180</u>

The biological assets of the Group have been impaired to nil in the year to 30 June 2013. The asset is considered non-core to the new direction of the Group into mining services.

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$000	\$000
5. LOANS AND BORROWINGS		
A. BORROWINGS IS COMPRISED OF:		
Current		
Finance lease liability	4,322	765
Insurance premium funding	-	270
	<u>4,322</u>	<u>1,035</u>
Non Current		
Finance lease liability	7,074	1,284
Group Total	<u>11,396</u>	<u>2,319</u>

B. FINANCE FACILITIES

2013

Description	Face Value (Limit) \$'000s	Carrying Amount \$'000s	Unutilised Amount \$'000s
Asset Financing	14,706	11,396	3,310

2012

Description	Face Value \$'000s	Carrying Amount \$'000s	Unutilised Amount \$'000s
Asset Financing	5,000	2,049	2,951

To facilitate the acquisition of its mining fleet, Viento has entered into various equipment finance agreements with financiers. The interest rates on these loan contracts are fixed for 36-60 months at an average rate of 7.56% (2012: 7.5%).

Insurance Premium Funding

During the prior year Viento Group secured insurance premium funding to cover its annual insurance expenses. The facility is with Hunter Premium Funding and the interest rate applicable is fixed at 3.38% pa. The total premium financed was \$270,000.

C. SECURITY

Security comprises a first ranking general security interest over the assets of the subsidiary acquiring the asset, guaranteed by Viento Group, and an asset security interest relating to the assets purchased under each agreement.

Viento is required to maintain a debt service coverage ratio of 1.4 times calculated as EBITDA divided by actual loan repayments for the consolidated Group's equipment hire businesses under the Commonwealth Bank arrangement.