greencap LIMITED

*protecting people, property and environments*TM

2011 ANNUAL REPORT

ABN 24 006 631 769

Corporate Directory

DIRECTORS

Byram Johnston OAM (Non-Executive Chairman)
Adrian Kloeden (Non-Executive Director)
Peter Martin (Non-Executive Director)
Earl Eddings (Managing Director)

SECRETARY

Stephen Munday

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Contents

Letter from the Chairman

Dear Shareholders

Greencap has experienced a year of strong growth in its core risk management consulting business. The integration of the individual businesses into a unique one-stop-shop risk management solution provider with a truly national footprint is translating into growth in revenue and earnings in Greencap's core business.

The strategic review which resulted in the decision to integrate the group's businesses also identified a business which needed to be treated separately from the rest. Leeder Consulting, which provides laboratory and analytical services, is profitable and growing but cannot be integrated into the core risk consulting business and is being treated as a separate investment. Like all investments the decision to hold or sell is based on whether its current value exceeds future expected returns; the Company is looking to realise this investment as part of the overall group restructure.

Trevor R Howse, which provides building code certification services, incurred trading losses this year. The Company has decided to exit this business resulting in its goodwill being written-off in the 2011 financial year. This $9.8 million non-cash write-off has caused the group to report an overall loss this year. The group's results are discussed in more detail within the Operating and Financial Review section of the enclosed report.

The difficult decisions that have been taken this year, whilst causing short term challenges, have positioned the Company for growth and increased shareholder wealth into the future. The integration of our risk management consulting business focuses the Company into growth sectors and opportunities that will enable management to deliver improved profit performance and dividends. I continue to believe that we have an outstanding business which is well positioned to capitalise on the opportunities the market is presenting to us through increased regulatory requirements around risk management and environmental management.

We have a well-qualified and experienced Board with a majority of independent members. Earl Eddings, the newly appointed Managing Director, has been delivering results within the core risk management consulting business over the last twelve months. Under his leadership, with a greater focus on the core risk consulting business following the work of the previous Managing Director, Andrew Meerman, over the past year to restructure the group, I look forward to the management team delivering continued growth.

During the year we have continued to focus our businesses operating in Queensland and Western Australia towards the resources sector. This has resulted in a growth in our services to clients in the resources sector this year by 80%. Greencap provides services critical in the commencement, operation and rehabilitation of resource sector projects. This sector currently enjoys a long term growth forecast and is therefore a key market for Greencap both in Australia and Asia.

I thank the Board members who retired over the past year, Andrew Meerman who retired from the Managing Director role after year end to pursue personal interests and Scott Bird who retired as a Director to focus on running the Greencap Western Australian operations. Both Andrew and Scott have played instrumental roles in the restructuring of the group over the past twelve months.

I extend my appreciation to the management team and all staff for their contribution to the ongoing success of your Company; and I thank you, the shareholders, for your continued support during the restructuring of the Company. I look forward to improved shareholder returns in the future.

B Johnston

Byram Johnston OAM
Chairman

Growing our capability in
protecting people, property and environments™

Overview

During the financial year the group undertook a strategic review to establish the best structures through which to drive its primary strategies for growth: the national key accounts program; an integrated business development and service delivery model; enhancing its national footprint; cross-selling; and group wide savings and synergies.

The strategic review resulted in the decision to integrate the majority of the businesses into a single core risk management consulting business. In these financial statements, this integrated risk consulting business has been classified as continuing operations. Revenues from continuing operations have grown from $53.4 million last year to $58.9 million or 10% this year generating a growth in NPAT from continuing operations from $2.9 million to $3.8 million. The core risk management business continues to perform well with further growth forecast during the 2012 financial year.

The strategic review also identified that Leeder Consulting needed to be treated separately from the rest of the business. Leeder Consulting, which provides laboratory and analytical services, is profitable and growing but cannot be integrated into the core risk consulting business and is being treated as a separate investment. Like all investments the decision to hold or sell is based on whether its current value exceeds future expected returns. The Company is looking to realise this investment as part of the overall group restructure and has been classified as discontinued operations in the financial statements.

Trevor R Howse, which provides building code certification services, incurred trading losses this year. The Company has decided to exit this business and it has been classified as discontinued operations in these financial statements. The decision to exit this business resulted in its $9.8 million goodwill to be written-off. This write-off and the Trevor R Howse operating loss off-set the Leeder Consulting profit and resulted in a net loss after tax in the discontinued operations of $9.5 million. Consequently, Greencap reported an NPAT loss of $5.7 million attributable to members for the year.

Greencap has restructured its management team to lead a regional business model with national business development capabilities. This ensures that the leadership of the business remains locally based but nationally focused. The model reduces duplication, increases service levels to clients and allows back office systems integration and efficiency. The implementation of programs to enhance key account management and cross selling of services to drive increased revenue growth was a critical consideration in the new management structure. The structure drives a national focus on developing opportunities in the resources sector and expansion of service offering across all regions, for example OHS/hazardous materials management into Western Australia, South Australia and Asia.

The integrated business provides risk management services in every state of Australia and South East Asia. These services include occupational health and safety, property risk services, business continuity management, sustainability, environmental services, hazardous materials risk management, contaminated site management, fire safety engineering and incorporates training, testing and web based solutions. With more than 350 professional, technical and engineering staff based in twelve offices, the business services more than 5000 business and government entities in the education, property, resources, industrial, manufacturing, retail and services sectors. This core risk consulting business is the foundation for continued growth and improved performance now and into the future.

The restructure of the group incurred once-off costs in realigning the management team and moving the corporate offices from Perth to Melbourne. These amounted to more than five hundred thousand dollars of costs. The strength of continuing operations results enabled these costs to be absorbed into operating expenses. The group was also significantly impacted by the flooding events along the east coast and specifically Queensland. The segments of the business which operated in the affected areas ceased operations for the majority of January 2011 and took several months to recover to pre-flood revenue levels. One of the affected businesses, Leeder Consulting classified as discontinued operations, incurred costs in excess of three hundred thousand dollars during that time and several major projects were postponed as a result of the floods. Our other Queensland operations were similarly affected by the floods but again the overall strength of the continuing operations results masked the impact of these events.

Mr Andrew Meerman retired as Managing Director effective September 1, 2011. Mr Meerman is well respected by clients, staff and shareholders and leaves the business to pursue personal interests. Mr Meerman has led the Company through a fundamental strategic review of the business resulting in the restructure which is now mostly complete. Mr Earl Eddings has stepped up to the role of Managing Director from within the management team having led the risk consulting business which delivered strong results this year.

The core risk consulting business is uniquely positioned to take advantage of the changing regulations which are driving activity in its key areas of expertise – OHS, property and environmental risk management. Whilst the year's results have been affected by adverse conditions, and the financial impact of some necessary but difficult decisions, it is now positioned for growth and to increase shareholder wealth.

Financial Review

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

	2011 $ 000s	2010 $ 000s
Continuing Operations		
Revenue	**58,936**	53,386
Profit from continuing operations before income tax & finance costs	**6,470**	5,108
Finance costs	**(1,058)**	(936)
Profit / (Loss) before income tax from continuing operations	**5,412**	4,172
Income tax expense	**(1,579)**	(1,250)
Net Profit after tax from continuing operations	**3,833**	2,922
Discontinued operation		
Profit / (Loss) after tax from discontinued operations	**(9,523)**	1,405
Profit / (Loss) for the year	**(5,690)**	4,327

The financial statements have been separated into continuing and discontinued operations. The continuing operations are the integrated risk management consulting business operations now incorporating Noel Arnold and Associates, Trimevac, MC2 Pacific, ENV Australia, ECC, AEC Environmental, ENV Asia and PT ENV Indonesia. The discontinued operations include Leeder Consulting and Trevor R Howse businesses. The group is looking to realise its investments in these businesses as part of the overall group restructure.

The continuing operations have grown this year both in terms of revenue and earnings. The risk consulting business is being driven by external factors including increased and changing regulatory requirements, as well as growth in sectors requiring OHS and environmental risk consulting services. Combined with this, the group's integration of risk consulting services is enabling an integrated approach to account management and service delivery to win larger nationally based projects.

The discontinued operations loss this year has been caused largely by the impairment of the Trevor R Howse goodwill of $9.8 million as a result of the decision to exit this business. This combined with the operating loss incurred in that business has off-set an otherwise profitable year in Leeder Consulting. As announced in May 2011, the group expects to realise a profit on the sale of Leeder Consulting during the course of this year. Leeder Consulting incurred costs in excess of three hundred thousand dollars during the flood events in early 2011, with subsequent postponements in major projects as a result.

The restructure of the group incurred once-off costs in realigning the management team and moving the corporate offices from Perth to Melbourne. These amount to more than five hundred thousand dollars of costs. The strength of the continuing operations results enabled these costs to be absorbed into operating expenses. The group was also significantly impacted by the flooding events along the east coast and specifically Queensland. The segments of the business which operated in the affected areas ceased operations for the majority of January 2011 and took several months to recover. Within the continuing operations, the overall performance masked the impact of these flood events.

A summary of the consolidated financial position is set out below.

	2011 $ 000s	2010 $ 000s
Current Assets	**32,287**	18,281
Non-current assets	**45,462**	65,929
TOTAL ASSETS	**77,749**	84,210
Total Current Liabilities	**19,651**	14,298
Total Non-current	**5,683**	11,875
TOTAL LIABILITES	**25,334**	26,173
NET ASSETS	**52,415**	58,037

The group's financial position remains strong. The increase in current assets and current liabilities is a combination of the reclassification of discontinued operations assets, goodwill and liabilities into "held for resale". In addition, the associated classification of interest bearing debt is expected to be repaid from the proceeds of the sale of the discontinued operations. Notwithstanding the movement of over $5 million of interest bearing debt to current liabilities, the current assets exceed current liabilities. Cash and receivables exceed current payables and provisions by in excess of $7 million. Trade creditors and other payables have decreased by nearly $2 million from last year resulting in lower cash flow from operations being reported this year.

The decrease in non-current assets is the result of the write down of intangible assets associated with the write off of the Trevor R Howse goodwill as consequence of the decision to exit this business; and the reclassification of the Leeder Consulting goodwill into assets held for resale. The overall decrease in net assets is the result of the write–off of the Trevor R Howse related goodwill causing the loss from discontinued operations of $9.5 million, off-set by the continuing operations profit of $3.8 million.

The interest bearing debt to equity ratio has risen slightly this year to 24.4% from 23.4% last year; mainly due to the non-cash write-down of the Trevor R Howse related goodwill. This ratio is consistent with other professional services businesses and the broader commercial services sector debt to equity ratios. The interest bearing debt does not include hire purchase debt in discontinued operations in this financial year, which is classified as liabilities associated with assets held for resale. The Company remains compliant with all banking covenants and currently has over $2 million in unused commercial bills facility to fund future working capital growth as the business grows.

The consolidated financial position has improved with net tangible assets of $0.003 this year versus $(0.013) last year. The reshaping of the balance sheet around the realisation of the Leeder Consulting and the exit of the Trevor R Howse has not adversely impacted on the underlying business' ability to continue to drive growth and earnings.

Capital Structure

There have been no shares issued during the financial year, with 262,515,385 ordinary shares on issue remaining.

Operational Review

Introduction

This year has been a year in which Greencap has reshaped the Company from the federated business model. The separate businesses operating in different geographies and within different market segments have been integrated to form a unique one-stop-shop of risk consulting services for Australia and South East Asia. As part of the business integration plan initiated this year, a new regional management structure was established. This represented an opportune time for the Company to implement succession plans for original vendor managers. As a consequence, the transition of several vendor managers has been successfully completed without disruption to business operations. The streamlined regional management structure is delivering improved business efficiency and has established a platform for future growth.

Our business integration strategy has improved our ability to service clients, broadened the opportunities for staff as well as driven efficiencies and profitability.

Our Clients

The past six months has involved significant activity consolidating our Key Client Program to give Greencap a solid platform for growth. We have been able to change our service delivery model to offer a one-stop-shop approach to our clients to assist them to more effectively manage their risk compliance needs. As part of this, we have adopted a partnership model for our strategic clients through which we are creating a longer term secured work profile, as well as achieving greater cross selling of our services in major accounts. This has allowed the group to harness its geographical spread and technical expertise to provide a more comprehensive service to clients which is pleasingly resulting in winning more and larger projects.

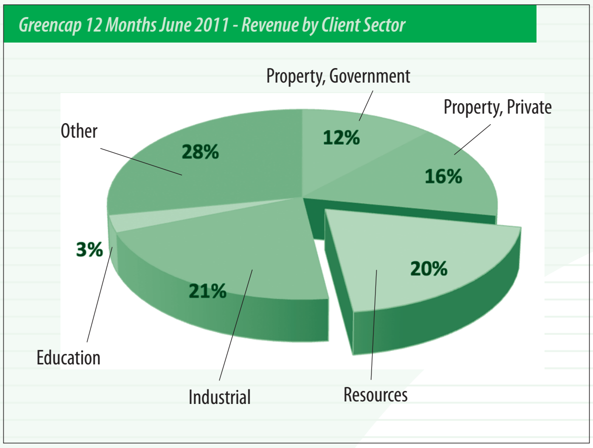
As part of the Key Client Program we are focusing our attention and service delivery to our top 100 clients (out of a total of over 5000). Focusing on our largest clients in this nationally based program enables growth in revenue, margin enhancement and an increase in our long term secured work profile. We have also focused on our national clients with the objective of providing a greater range of our broader service offerings.

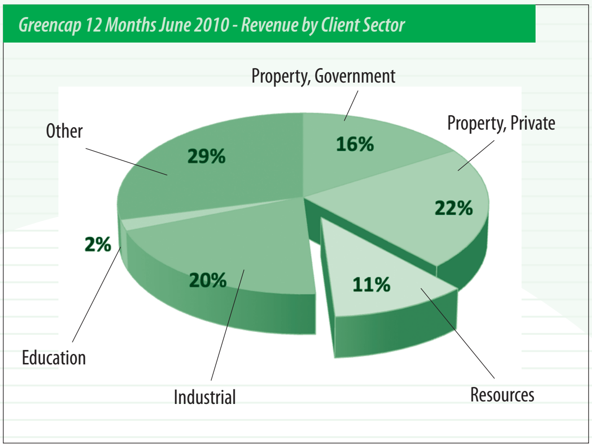
We have recently extended our services to include the reporting of US Sarbanes–Oxley (SOX) requirements and subsequent planned remediation of contaminated land across a large property portfolio. This is an example of bringing together a broadly skilled project team and combining our expertise to service a large project in preference to the incumbent risk group for that client. This enhanced regional capability now allows Greencap to deliver premium services to one of the country's biggest corporate brands.

Other notable successes from the program to date, include the task of conducting hazardous materials surveys of 1900 properties for a large land owner now incorporating other service disciplines including asbestos, OHS, fire safety, environmental and sustainability.

Operating and Financial Review

continued





There has been a strong focus on moving our client base into the resources sector, particularly in growth areas such as Western Australia, Queensland and Indonesia. There has been a significant shift in our client base as a result as illustrated above. An increase in revenue sourced from resources sector clients by 80% now represents 20% of our total revenue this year. Our Flora and Fauna team in Western Australia is now winning and delivering projects for the major resource sector clients in the Pilbara. Our tenement management business continues to prosper in Queensland. Our Indonesian business has become a key provider of environmental services to major mining projects for multinational enterprises within that region. We have also recently established a mining specific OHS practice within the region and are securing new work as a result.

Greencap has had measurable success in recent months with a large client regarding the suite of services we can deliver. In June, we were commissioned to conduct property risk reviews in 160 Sydney properties.

Our Indonesian operation was selected to establish the water balance for a major new mine development in the region. The assignment includes establishing the mine dewatering requirement and the water balance for the tailings storage facility, as well as developing the acid mine drainage management plan. Furthermore the Indonesian operation secured work for installing the groundwater monitoring network for a mine development in Kalimantan. The combined value of these assignments exceeds $US 0.5 million.

We have realigned our water and energy audit expertise (historically legionella testing) within the property risk management business to increase leverage into our client base. This will also broaden our service offerings capitalising on the growing energy efficiency market as part of the carbon foot printing process. This initiative has been successful as demonstrated by recent projects including a significant national energy efficiency project with a supplier to the defence sector.

Our People

During this year the Company has undertaken a renewal of our Executive Management Team. This has enabled Greencap to appoint industry experienced managers to lead the business as many of the original vendors transitioned out of their business as they retire or move onto new challenges. This renewal has facilitated a smooth transition from stand-alone organisations to a single entity managed through a regional management structure. The Company now has the right blend of experience, industry and technical expertise to drive business growth and to maximise shareholder wealth. There is a much greater focus on accountability at all levels of management, in particular financial, people and client care initiatives. This will be supported by improved back office systems and processes.

Company Structure

Region	Vic / Tas	NSW / ACT	Qld	SA / NT
Services	◆ Business Continuity ◆ Contaminated Sites ◆ Emergency Management ◆ Energy & Sustainability ◆ Environmental Services ◆ Fire Safety Engineering ◆ Hazardous Materials Management ◆ Occupational Health & Safety ◆ Property Risk Services ◆ Training ◆ Web Based Solutions	◆ Business Continuity ◆ Contaminated Sites ◆ Emergency Management ◆ Environmental Services ◆ Fire Safety Engineering ◆ Hazardous Materials Management ◆ Occupational Health & Safety ◆ Property Risk Services ◆ Training ◆ Web Based Solutions	◆ Environmental Services ◆ Hazardous Materials Management ◆ Emergency Management ◆ Native Title & Tenement ◆ Occupational Health & Safety ◆ Property Risk Services ◆ Training ◆ Web Based Solutions	◆ Contaminated Sites ◆ Environmental Services ◆ Occupational Health & Safety ◆ Web Based Solutions
Staff: circa	**117**	**96**	**55**	**50**
Location	Level 3 818 Whitehorse Road Box Hill VIC 3128 Suites 8 & 13 33 Queens Road Melbourne VIC 3004	Level 2 11 Khartoum Road North Ryde NSW 2113 1/73 Market Street Wollongong NSW 2500 Unit 21 / Level 3 Belconnen Churches Centre Benjamin Way Belconnen ACT 2617	2 Mayneview Street Milton QLD 4066 Level 27 288 Edward Street Brisbane QLD 4000	12 Greenhill Road Wayville SA 5034 Unit 11 Winnellie Central 14 Winnellie Road Winnellie NT 0820
Contact Number	**03 9890 8811**	**02 9889 1800**	**07 3514 9222**	**08 8299 9955**

WA	Asia
◆ Contaminated Sites ◆ Emergency Management ◆ Energy & Sustainability ◆ Environmental Services ◆ Web Based Solutions	◆ Contaminated Sites ◆ Energy & Sustainability ◆ Environmental Services ◆ Web Based Solutions
53	14
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Our Integrated Service Offerings

Greencap Limited provides risk management services in every state of Australia and South East Asia. These services include occupational health and safety, property risk services, business continuity management, sustainability, environmental services, hazardous materials risk management, contaminated site management, fire safety engineering and incorporates training, testing and web based solutions. With more than 350 professional, technical and engineering staff based in twelve offices, the group services more than 5,000 business and government entities in the education, property, resources, industrial, manufacturing, retail and services sectors.

OHS & Property

Through the integration process Greencap has now established the largest OHS practice in Australia. The diverse multidisciplinary skill base enables delivery of comprehensive OHS programs for national clients including Coles/Wesfarmers, Australia Post, Telstra, Defence, Westpac. The growth of the OHS practice is underpinned by legislative drivers which are increasingly placing onus on Directors and senior officers to demonstrate appropriate OHS governance programs. The introduction of new harmonised health and safety legislation in January 2012 across Australia represents the largest single reform to health and safety legislation in the country, with significant compliance impacts for all organisations. This development has already created significant opportunities for the Company to support both existing and new clients in relation to the introduction of this new legislation. The Company is also expanding the OHS service offering into the high-growth resource regions of Western Australia, Queensland and Asia. The market in the OHS area in these regions is fragmented with smaller service providers and there is scope for the Company to provide a broader more integrated service offering to resource companies.

The growth of the OHS business is also driven by an increasing annuity base, largely related to audit type programs for national organisations. As the market matures in this space, there is increasing opportunity for Greencap to support this emerging business need. This is evidenced by the recent contract appointment by the Company in the 2011 financial year for a five-year OHS audit program with the Victorian education department with a contract value of $3.2 million.

The demand for property sector risk services continues to be driven by the strong legislative environment and increasing awareness of government and private clients of the property risk obligations and liabilities of various parties. Greencap is a leading provider of hazardous materials risk management services which are supported by our online data management solutions for clients. The Company now has accredited laboratory analysis capability in four states in Australia and has national accreditation to AS/NZS/ISO/IMEC 17020 as a Type A Inspection Body. This accreditation validates the high level of assurance and competency in the range of property inspection services delivered.

The Company has successfully grown both the size and scope of projects delivered in the property sector. A key element of this growth strategy is related to the integration of associated service offerings such as fire safety, environmental, sustainability, business continuity and OHS to enhance the client value proposition. The Company has been successful in securing projects this year where the integration of service offerings has been a key element differentiating Greencap from possible competitors.

Environmental Services

The Company has brought together over 120 environmental scientists and engineers under one integrated structure. Greencap's environmental group now represents one of the biggest non-engineering based environmental practices in Australasia.

Greencap's diverse environmental skill sets enable it to deliver national and international teams on major projects. The group has been working on sustainability projects, soil and groundwater assessments, large environmental impact studies, substantial biological studies for major mining houses and large property remediation throughout Australia and now extending into South East Asia.

We have experienced strong growth in the biological sciences area in Western Australia, especially in the Pilbara, and we see opportunities to expand this capability into other regions. Our mining tenements management operations in Queensland have established a substantive client base in this region, managing several thousand mining tenements with supporting services relating to native title and cultural heritage. The planned expansion of the tenements management capability into Western Australia will capitalise on the resource sector opportunities in this market and provide opportunities for environmental and other technical services.

Our Western Australian operations have been successful in securing two large projects to develop programs to change consumer behavioural patterns related to domestic water use and conservation. These environmental services are part of a suite of sustainability offerings which we see as a new growth area for environmental consulting.

Our offices in South East Asia have grown substantially in response to a high demand for consulting services, particularly in the resource sector. Environmental impact assessments and associated studies have been prepared for international clients for projects in Papua New Guinea, Indonesia and the Philippines. Technical skills from Australia are being applied to these projects creating opportunities for our staff that will assist in staff retention.

The volume of environmental work in South Australia and the Northern Territory continues to grow. Contaminated land work has been a particular focus during the year in South Australia and we expect further growth in the Northern Territory, particularly in environmental impact studies.

The Company continues to build on the opportunities for environmental services associated with its appointment to government and related specialist service panels. A key focus on government panel work, supported by a dedicated team and strategy, has yielded significant project opportunities and secured work directly with Defence and also with major infrastructure contractors in the environmental, OHS and hazardous materials areas. Our sustainability initiatives in the energy management area are gaining traction with the recent appointment of a large energy auditing contract with a global defence, security and aerospace company. With the changing landscape and regulatory environment associated with carbon management, the Company plans to drive opportunities and increased revenues in this growth sector.

Online Services

The online web platform currently comprises three major products: Rm3 Risk Management System; Cm3 Contractor OHS Prequalification System and Trim Online Emergency Management and Planning System.

The Rm3 product essentially provides an integrated online database system to manage compliance and risk issues for large organisations. The principal value driver for this product is the consulting fee leverage that is associated with locking clients in with ongoing audit and assessment consulting work.

The Cm3 Contractor OHS Prequalification System business model is based on contractors paying an annual fee to upload their OHS information and participate in the online prequalification process. This involves assessment of insurance/licence information as well as relevant OHS documentation aligned with the services provided by a contractor.

The Trim Online system is currently provided as a differentiated service enhancement to clients without additional fee component. The business model is similar to the Rm3 system, whereby significant leverage in consulting opportunities are created through the increased client value proposition. Additional revenue is planned with the introduction of the online emergency management training capability.

One key factor in our online platform and strategy is its ability to differentiate our service offering from the providers with whom we compete. These providers, both large and small, offer single point solutions to one or several of our clients' risk management needs. Our differentiator is the ability to offer an all-encompassing risk management solution which enables clients to identify, measure, mitigate and monitor risks across areas covering people, property and environments. The online platform allows clients to have real-time compliance reporting, proactive risk mitigation, permanent evidentiary trails and automatic escalation of compliance and risk actions. It enables clients to control their risk management processes from their desk top.

Significant consulting work is being generated from on-going client engagement created through the daily use of our interactive online systems. The ability to leverage the growing online systems into more traditional consulting services is an important key differentiator for Greencap.

No single company competes with all of our service capabilities. One of the main drivers of the integration strategy was to harness our expertise nationally and to ensure we have an effective way of engaging with our clients to ensure they are getting a comprehensive one-stop-shop.

In Australia and South East Asia Greencap offers our clients a true regional solution in all areas of risk through harnessing our respective teams. This capability and one-stop-shop service offering enables the Company to partner with large clients and provide a comprehensive service which cannot be matched by other single service providers. This strategy, which is well received by our larger clients, ensures that the full one-stop-shop service offering is of high value and not comparable to specialised single service or regionally based offering by competitors.

We also have a strong product migration strategy in place to ensure high margin product lines are migrated into growth areas across the region. Greencap is selectively expanding a number of product lines into regional offices where we do not have the capability but have client needs which can be serviced in these locations. Programs have commenced to diversify and expand the service offering and capability in specific growth regions, including:

- expansion of tenements management service in Queensland to other resource markets.
- extension of the strong property risk services capability on the east coast to the west coast region.
- OHS service expansion into Western Australia and Asia to capitalise on the growing resource sector opportunities.

Strategy and Outlook

The forthcoming year should start to see the rewards for the difficult decisions we have made previously. By integrating our service offering, providing a more comprehensive service delivery model to clients as well as our key client program, gives us a solid platform for growth in the 2012 financial year.

While there is economic instability both globally and locally, we are well positioned to manage any downside given the increasing compliance and annuity spread of work and some significant legislative imperatives such as OHS harmonisation and carbon tax legislation.

Our primary strategies for growth in the coming year remain: the national key accounts program; an integrated business development and service delivery model; enhancing our national footprint; cross-selling; and group wide savings and synergies. The benefits are already being experienced from the implementation of these strategies.

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

Greencap conducts ongoing reviews of its existing corporate governance policies and practices to ensure they are aligned to the recommendations of the ASX Corporate Governance Council. Policies are replaced or updated where improvements are considered appropriate.

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

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

1. Lay Solid Foundations for Management and Oversight

Role of the Board and Management

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

The Board's responsibilities are summarised below:

- The Board is responsible to shareholders for the performance of Greencap and its controlled entities;
- The Board is responsible for the appointment, performance evaluation and removal of the Chairman of the Board;
- The Board is responsible for appointment, performance evaluation of Executive and Non-Executive Directors;
- The Board is responsible for appointment, performance evaluation and removal of the Chief Executive Officer;
- The Board is responsible for appointment, performance evaluation and removal of the Company Secretary;
- The Board is responsible for the appointment of a Finance & Audit Committee, the Nomination and Remuneration Committee, and the Mergers and Acquisitions Committee to assist the Board in the discharge of its responsibilities;
- The Board is responsible for overseeing the Company, including its control and accountability systems;
- The Board is responsible for providing input into and final approval of management's corporate strategy and performance objectives;
- The Board is responsible for reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct, and legal compliance;
- The Board is responsible for monitoring management's performance and implementation of strategy and ensuring appropriate resources are available. Performance reviews are currently being conducted;
- The Board is responsible for approving and monitoring financial and other reporting to ensure timely and accurate communication to shareholders;
- The Board is responsible for monitoring and approving capital management and any acquisitions and divestitures; and
- The Board is ultimately responsible for taking all reasonable measures to ensure that the consolidated entity complies with the ASX Principles.

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

The Chief Executive Officer is responsible to the Board for the day-to-day management of the consolidated entity. In particular, the Chief Executive Officer is responsible for:

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

Mr Andrew Meerman was appointed as Chief Executive Officer with effect from 23 June 2010, following completion of an intensive recruitment process. Mr Meerman retired on 1 September 2011 and was replaced by Mr Earl Eddings.

The roles of Chairman and Chief Executive Officer are held by different people per the ASX recommendations. The Chairman is independent.

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

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

2. Structure of the Board to Add Value

The Board is currently comprised of four Directors, being the Non-Executive Chairman, two other Non-Executive Directors and the Managing Director.

Director Independence

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

ASX Principle 2 recommends that the Board be structured to include a majority of Non-Executive independent Directors, a Non-Executive independent Chairman and to have different persons filling the roles of Chairman and Chief Executive Officer.

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

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

The Board is cognisant of the ASX Principle such that a majority of the Board should be independent Directors. The Company has transitioned its Board structure since the previous financial year to meet the ASX Principle.

The Non-Executive Directors who are regarded by the Board as independent at the date of this report are:

Mr Byram Johnston OAM (Chairman)
Mr Adrian Kloeden
Mr Peter Martin

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

Mr Earl Eddings (CEO and Managing Director - appointed 1 September 2011)

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

Directors are entitled to access independent professional advice at the Company's expense in appropriate circumstances

Performance Evaluation

The Directors consider the performance of the Board as a whole, and individual Directors, on an ongoing basis. The Board takes external professional advice in relation to specific governance matters.

The Board, in conjunction with the Nomination & Remuneration committee, has established annual review procedures for key group Executives. Group Executives' performance is monitored against an agreed set of performance criteria in four key result areas: people, clients, financial performance and systems. The Executive team's performance against many of the key result areas this year was solid, however, the write-down of the Trevor R Howse business impacted severely on measures of overall performance.

Committees of the Board

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

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

These Committees review matters on behalf of the Board and make recommendations for consideration by the entire Board. The Board has determined that Corporate Governance matters will be dealt

Nomination and Remuneration Committee

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

The current members of the Nomination and Remuneration Committee are:

Mr Byram Johnston OAM
Mr Adrian Kloeden

Finance & Audit Committee

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

The Audit Committee's responsibilities include:

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

The current members of the Finance & Audit Committee are:

Mr Peter Martin
Mr Byram Johnston OAM

The external auditors and any other persons considered appropriate attend meetings of the Finance & Audit Committee by invitation

The committee may also meet from time to time with the external auditors independent of management.

The Committee is comprised solely of independent Non-Executive Directors.

Mergers & Acquisitions Committee

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

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

The current members of the M&A Committee are:

Mr Adrian Kloeden
Mr Peter Martin

Executive Directors and management members, along with external advisors, may be invited to attend meetings of the M&A Committee where considered appropriate.

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

3. Promote Ethical and Responsible Decision-making

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

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

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

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

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

Under Greencap Limited's share trading policy, all employees and Directors of Greencap and its subsidiary companies are prohibited from trading in the Company's shares or other securities if they are in possession of "inside information", or during "black out" periods as declared by the Company.

Subject to this condition, and in the light of ASX's continuous disclosure requirements, trading can occur at any time. Directors must immediately advise the Company Secretary of their trading in the Company's securities in order for the Company Secretary to lodge the required disclosure information with the ASX. The share trading policy is consistent with ASX Principle 3.

4. Safeguard Integrity in Financial Reporting

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

- The Company and the consolidated entity's financial report preparation and approval process requires both the Chief Executive Officer and the Chief Financial Officer providing a written statement to the Board that, to the best of their knowledge and belief, the Company and the consolidated entity's financial report presents a true and fair view, in all material respects, of the financial condition and operating results and is in accordance with applicable accounting standards; and
- The Board has a Finance & Audit Committee which comprises the Non-Executive Chairman of the Company, and a Non-Executive Director. The Chairman of the Finance & Audit Committee is not the Chairman of the Board. Members of the Audit Committee are financially literate. A formal charter has been developed and clearly sets out the Audit Committee's role and responsibilities.

The Finance and Audit Committee currently only consists of two members rather than the three members as recommended by ASX Principle 4 due to the small number of Non-Executive Directors, and who are conveniently located to meet as and when necessary.

The policies are consistent with ASX Principle 4.

5. Make Timely and Balanced Disclosure

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

Greencap Limited has adopted a comprehensive policy covering:

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

The policy is reviewed periodically and updated as required. The Company Secretary and the Chief Financial Officer have responsibility for:

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

The disclosure policy is consistent with ASX Principle 5.

6. Respect the Rights of Shareholders

Considerable importance is placed on effective communications with shareholders. The Company has developed a communications strategy to promote the timely communication of information to shareholders through the distribution of:

- the annual and half-yearly reports covering operating performance;
- investor briefings during the financial year; and
- announcements through the Australian Securities Exchange regarding developments and achievements in its businesses.

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

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

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

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

The communication policies are consistent with ASX Principle 6

7. Recognise and Manage Risk

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

The Chief Executive Officer and the Chief Financial Officer are responsible for implementing internal risk management procedures and controls. A number of risk management controls have been established and include:

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

Management is ultimately responsible to the board for the system of internal control and risk management. The finance & audit committee assists the board in monitoring this role.

The Chief Executive Officer and the Chief Financial Officer have provided the Board with a written statement that:

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

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

8. Remunerate Fairly and Responsibly

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

The consolidated entity's remuneration policy is as follows:

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

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

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

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

The remuneration policies are consistent with ASX Principle 8.

9. Diversity

For financial periods commencing after 1 July 2011, there are amendments to the 2nd edition of the Corporate Governance Principles and Recommendations which amongst other items, includes new principles relating to diversity.

The Group has historically managed diversity and inclusion policy, practice and reporting at a local and regional level. With the organisation restructure, a group-wide diversity and inclusion policy and reporting structure is being developed.

The draft of the policy currently under consideration includes requirements for the board to establish measurable objectives for achieving gender diversity and inclusion and to annually assess both the objectives and the Group's progress towards achieving them.

The Group intends to disclose those measureable objectives and its progress in its annual report for the 2012 financial year and for each following financial year.

Your Directors submit their report for the year ended 30 June 2011.

Directors

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

NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Directors during the year or at the date of this Report:

Byram Johnston OAM

Non-Executive Chairman

Mr Johnston OAM is a Fellow of the Institute of Chartered Accountants, CEO of Mainstream BPO and Chairman of the ASIC Audit Committee. Mr Johnston OAM has held a number of public, private and not for profit board appointments. He has served on a number of public sector boards and committees.

Mr Johnston OAM has significant experience within the professional advisory and consultancy services sector. During his professional services career he had leadership roles as the Managing Partner Australia for Arthur Andersen Consulting, the Managing Partner Asia Pacific for the PA Consulting Group, the Managing Partner Asia Pacific A.T Kearney and Managing Partner Sydney for Andersen Consulting.

Adrian Kloeden

Non-Executive Director

Mr Kloeden is a Fellow of the Australian Institute of Company Directors and holds a Master's Degree from the London Business School.

Mr Kloeden is Chairman of Forestry Tasmania and Chairman of Serco Asia Pacific Advisory Board. In addition, he is a Non-Executive Director of Infrastructure Partnerships Australia. He is a Council Member of Deakin University, Chair of its Finance and Business Affairs Committee and Chair of its Investment Advisory Committee.

Mr Kloeden is involved in providing Senior Executive business coaching for large corporates and professional service firms. He has gained extensive experience both nationally and internationally in a number of Senior Board and Executive roles, demonstrating ability to deliver high level performance and outcomes across a broad range of industry sectors.

Peter Martin

Non-Executive Director

Mr Martin is a chartered accountant, chartered secretary and holds an MBA. He has extensive experience in corporate finance and strategic development gained across a range of operating environments. Mr Martin previously held Senior Executive roles with PMP Limited, Royal Mail Holdings plc and Hansen plc. More recently he has established a boutique advisory firm providing services in strategy, investment and M&A.

Earl Eddings

Managing Director – appointed 1 September 2011

Mr Eddings has over twenty years' experience in working in the risk management space with a strong focus on managing large consulting services groups. Before his appointment to the position of Managing Director of Greencap, Mr Eddings was Chief Executive Officer of Noel Arnold & Associates Pty Ltd up to 31 August 2011. Mr Eddings has played a key role in the integration of Greencap's operations and the growth of the Noel Arnold & Associates business.

Mr Eddings has extensive experience in the management and strategic development of professional service firms, particularly in the risk management area at both a national and global level. In addition to driving results internally, Earl has also worked with a wide range of organisations to strategically manage their business risks.

Andrew Meerman

Executive Director – resigned 1 September 2011

Mr Meerman has 25 years management and consulting experience in the field of risk management. He was the Managing Director of NAA up to his appointment to the board of Greencap, and as Chief Executive Officer for the group.

Mr Meerman was instrumental in the long term development of NAA's national operations and profile. Mr Meerman holds a BA Engineering (Mech), Master of Engineering Science (Human Factors), Grad Dip Ergonomics, Grad Dip of Occupational Hygiene, and is a Fellow of the Safety Institute of Australia.

Mr Meerman has extensive experience in the management and strategic development of professional service firms, particularly in the risk management area. He has wide experience in building and growing people, leadership teams and achieving consistent growth and performance improvement. Mr Meerman has led the establishment of new service streams which more recently included the development of a suite of web-based risk management solutions.

Scott Bird

Executive Director - resigned 24 May 2011

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

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

Mr Bird has particular skills in environmental management providing high level advice to a broad range of both public and private sector clients, especially in the land development and resource sectors.

Mr Bird has successfully developed the ENV business from its formation in 2000, by managing multi-disciplined teams, focused on achieving environmental approvals and assisting clients to meet environmental objectives.

Mr Bird resigned as an Executive Director on 24 May 2011 to focus on his role as West Australian Regional Director of the Greencap Consulting business.

Stephen Munday

Company Secretary

Mr Munday was appointed Company Secretary during the year. Prior to holding this position Mr Munday has held company secretarial positions in listed companies for almost 20 years. Mr Munday has also been responsible for various management functions including marketing, business development, supply management, commercial management, financial management and change management. Mr Munday has over ten years Chartered Accounting experience in Australia and North America; is a Fellow of Chartered Secretaries Australia and holds an MBA (Executive).

Interests in the shares and options of the Company

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

	Interest in Ordinary Shares
B Johnston OAM	46,000
A Kloeden	72,250
P Martin	-
E Eddings	912,954

PRINCIPAL ACTIVITIES

The principal activities within the consolidated entity were the provision of professional consulting services and advice in relation to a range of risk management services.

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

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

OPERATING AND FINANCIAL REVIEW

The net operating loss of the consolidated entity for the year after tax and outside equity interests amounted to $5.69 million (2010: $4.327 million profit).

Please refer to the Operating and Financial review on pages 3 to 10 of the Annual Report, which contains a full description of operations

DIVIDENDS

The Company has not declared a dividend following the completion of the financial year ended 30 June 2011.

Shareholder returns

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

Greencap has experienced a year of strong growth in its core risk management consulting business. The integration of the individual businesses into a unique one-stop-shop risk management solution provider with a truly national footprint is translating into growth in revenue and earnings in Greencap's core business.

The year's overall performance was impacted by the performance of Trevor R Howse, which provides building code certification services, and which incurred trading losses this year. The Company has decided to exit this business resulting in its goodwill being written-off in the 2011 financial year. This $9.8 million non-cash write-off has caused the group to report an overall loss this year.

In addition, the strategic review which resulted in the decision to integrate the group's businesses also identified a business which needed to be treated separately. Leeder Consulting, which provides laboratory and analytical services, is profitable and growing but cannot be integrated into the core risk consulting business and is being treated as a separate investment. Like all investments the decision to hold or sell is based on whether its current value exceeds future expected returns; the Company is looking to realise this investment as part of the overall group restructure.

The overall return to shareholders was negative due to the losses and write-off of the Trevor R Howse business this year. This masked the otherwise stronger performance in the core risk management business.

The profit before tax for the 2011 financial year has reduced from the prior year, due primarily to the impact of the economic environment on client demand for group services. In addition, the Company incurred certain non-recurring costs. Whilst the impact of the economic environment on client demand for group services remains an area of risk for future returns; the difficult decisions that have been taken this year, whilst causing short term challenges, have positioned the Company for growth and increased shareholder wealth into the future.

Significant events after the balance date

No matter or circumstance has been identified since 30 June 2011 to the date of this report that has significantly affected, or may significantly affect the consolidated entity's continuing business operations.

Likely developments and expected results

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

Environmental regulation and performance

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

	2011 $000s	2010 $000s
Profit / (Loss) after tax from continuing operations	**3,833**	2,922
Profit /(Loss) after tax on discontinued operations	**(9,523)**	1,405
Profit / (Loss) after tax	**(5,690)**	4,327
Basic earnings / (Loss) from continuing operations per share	**$0.0146**	$0.0112
Basic earnings / (Loss) per share	**$(0.0216)**	$0.0166

Refer to the Operating and Financial Review on pages 3 to 10 of the Annual Report.

Share options

Un-issued Shares

As at the date of this report, there are no un-issued ordinary shares under option.

Shares issued as a result of the exercise of options

During the financial year no shareholders exercised their options to acquire fully paid ordinary shares in Greencap Limited (2010: no options were exercised).

Options Lapsed

During 2010, 50,000 unlisted options lapsed. There are no options outstanding at the date of this report.

Indemnification of Directors and Officers

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

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

(a) a wilful breach of duty; or

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

The total amount of Directors and Officers insurance contract premiums incurred by the Company for the financial year was $48,680 (2010: $49,225).

Remuneration report

This report outlines the remuneration arrangements in place for Directors and Executives of Greencap Limited.

Remuneration Philosophy

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

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

Nomination and Remuneration Committee

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

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

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Senior Manager remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

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

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting held on 27 October 2010 when shareholders approved an aggregate remuneration of $250,000 per year.

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

The remuneration of Non-Executive Directors for the period ending 30 June 2011 is detailed on page 23 of this report.

The shareholders approved the allocation of performance rights to Non-Executive Directors at the Annual General Meeting on 27 October 2010 details of these are included on page 25 of this report.

Senior Manager and Executive Director Remuneration

Objective

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

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

Structure

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

It is Company policy that an employment contract is entered into with the Managing Director. Details of the contract that became effective on 1 July 2011 are provided below.

Remuneration consists of the following key elements:

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

Fixed Remuneration

Objective

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

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

Senior Managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company. The fixed remuneration component of the key management personnel is detailed on page 24.

Variable Remuneration — Short Term Incentive (STI)

Objective

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

Structure

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

STI payments available for Executives across the consolidated entity are subject to the approval of either the subsidiary company board or the Greencap Nomination and Remuneration Committee. Payments made are usually delivered as a cash bonus.

Variable Remuneration — Long Term Incentive (LTI)

Objective

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

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

Structure

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

Formal performance hurdles for the long term incentive plan were established for the year to 30 June 2011 (2010: nil).

The Employee Share Trust and Employee Option Plan will be utilised primarily for providing LTI remuneration to Executives. In addition, the schemes can be used to remunerate other staff within the Company, as the Directors consider appropriate.

These hurdles were established to align shareholder value and reward for Executives based on the hurdles set within the performance rights plan approved by shareholders on 27 October 2010. Shares or rights issued under the long term incentive plan vest over three years from the date of granting. The hurdles were not achieved on 30 June 2011 and no shares or rights were issued.

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

Employment Contracts

Mr Meerman entered into an Executive Employment Agreement with the Company which came into effect on 1 July 2010. The principal terms of the Executive Employment Agreement are as follows:

- the term of the contract is from 1 July 2010 until the employment is terminated in accordance with the agreement;
- Mr Meerman may resign from his position as a Managing Director and thus terminate this agreement by giving the Company 6 months' notice in writing;
- the Company may terminate this employment agreement without reason by providing 6 months' notice in writing. The Company may elect to pay the Executive the equivalent of the 6 months' salary and dispense with the notice period;
- the Company may at its sole discretion terminate the employment in the following manner:
    - by giving not less than 6 months written notice if at any time should the Executive be incapacitated and unable to perform his duties;
    - summarily without notice if at any time the Executive commits a material breach of the terms of the agreement; or
    - summarily without notice if the Executive is convicted with any major criminal offence which brings the Company or any of its Related Bodies Corporate into lasting disrepute, by giving notice effective immediately and without payment of any salary other than salary accrued to the date of termination.

The cost to the Company should Mr Meerman's employment be terminated is $185,000.

Details of Remuneration

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

Director remuneration for the year ended 30 June 2011

	Short Tem Benefits			Post Employment	Equity		
	Base Fee and Salary	Bonus	Other	Super	Value of Equity Granted	Total	% Performance Related
	$000s	$000s	$000s	$000s	$000s	$000s	
Executive Directors							
S Bird (resigned 24 May 2011)	330	-	-	30	9	369	-
A Meerman (resigned 1 September 2011)	351	355	30	65	22	823	43
Non Executive Directors							
B Johnston OAM	80	-	-	-	18	98	-
A Kloeden	41	-	-	4	11	56	-
P Martin	45	-	-	-	11	56	-
A Gay (resigned 29 October 2010)	15	-	-	-	-	15	-
TOTAL	862	355	30	99	71	1,417	25

Director remuneration for the year ended 30 June 2010

	Short Term Benefits			Post Employment	Equity		
	Base Fee and Salary	Bonus	Other	Super	Value of Equity Granted	Total	% Performance Related
	$000s	$000s	$000s	$000s	$000s	$000s	
Executive Directors							
J Broun (resigned 22 March 2010)	140	-	172	44	-	356	-
S Bird	264	-	47	28	-	339	-
A Meerman (resigned 15 September 2009 re-appointed 23 June 2010)	50	85	10	12	-	157	54.1
C Hunter (appointed 23 December 2009 – resigned 18 January 2010)	15	-	2	1	-	18	-
Non Executive Directors							
B Johnston OAM (appointed 22 March 2010)	20	-	10	-	-	30	-
A Gay	38	-	25	-	-	63	-
A Kloeden (appointed 22 March 2010)	10	-	5	1	-	16	-
P Martin (appointed 22 March 2010)	11	-	5	-	-	16	-
S Belben (resigned 22 March 2010)	43	-	35	-	-	78	-
N Arnold (Non-Executive from 1 January – resigned 24 September 2009)	9	-	-	-	-	9	-
J Priest (appointed 10 June 2009 – resigned 8 July 2009)	7	-	-	-	-	7	-
TOTAL	607	85	311	86	-	1,089	7.8

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the group, and to the extent different, among the five group Executives receiving the highest remuneration.

Remuneration of the named key management personnel for the year ended 30 June 2011

	Short Tem Benefits			Post Employment	Equity		
	Base Fee and Salary	Bonus	Other	Super	Value of Equity Granted	Total	% Performance Related
	$000	$000	$000	$000	$000	$000	
E Eddings	313	-	-	28	-	341	-
K Spitz	152	-	49	-	-	201	-
S Bird (24 May 2011 to 30 June 2011)	40	-	-	4	-	44	-
W Dettman	250	-	20	23	-	293	-
J Todd	224	23	-	22	-	269	8.6
W Haylock (1 July 2010 to 25 March 2011)	275	10	-	27	-	312	3.2
H Howse (1 July 2010 to 31 October 2010)	181	-	-	7	-	188	-
J Leeder (1 Jul to 15 Oct 2010)	62	-	6	7	-	75	-
TOTAL	1,497	33	75	118	-	1,723	2

Remuneration of the named key management personnel for the year ended 30 June 2010

	Short Tem Benefits			Post Employment	Equity		
	Base Fee and Salary	Bonus	Other	Super	Value of Equity Granted	Total	% Performance Related
	$000	$000	$000	$000	$000	$000	
W Dettmann	250	-	19	22	-	291	-
W Haylock	195	10	-	30	-	235	4.2
H Howse	203	-	-	18	-	221	-
J Leeder	149	9	17	25	-	200	4.5
A Meerman (15 September 2009 - 23 June 2010)	170	291	32	40	-	533	54.6
J Todd	172	25	-	53	-	250	10.0
TOTAL	1,139	335	68	188	-	1,730	19.4

Performance Rights granted as part of remuneration for the year ended 30 June 2011

On 27 October 2010 at the Company's Annual General Meeting shareholders approved the issue of the following Performance Rights to the participating Directors:

	Number Granted	Value at Granting $000	Expense for year ended 30 June 2011 $000	Lapsed at 30 June 2011	Vested at 30 June 2011
B Johnston OAM	3,400,000	141	18	680,000	-
P Martin	2,000,000	83	11	400,000	-
A Kloeden	2,000,000	83	11	400,000	-
S Bird	1,670,000	69	9	334,000	-
A Meerman	4,050,000	168	22	810,000	-
TOTAL	**13,120,000**	**544**	**71**	**2,624,000**	-

Fair values of Performance Rights granted

Performance Rights were issued to Directors in accordance with resolution 7 passed at the Annual General Meeting on 27 October 2010 and were valued based on an amended Black and Scholes methodology with a 250 step binomial tree in accordance with AASB2. The primary purpose of the issue of Performance Rights to the Directors is to provide a performance-linked incentive component in the remuneration package for them, and to motivate and reward their performance in achieving specified vesting conditions within a specified period. The Board considers this issue to be a cost-effective remuneration practice and reasonable given the vesting conditions will align the interests of the participating Directors with those of shareholders.

Directors' Meetings

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

	Directors Meetings	Finance & Audit	Nomination & Remuneration	Mergers & Acquisitions
Number of Meetings held:	**14**	**5**	**1**	**1**
Number of Meetings attended:				
B Johnston OAM	14	5	1	n.a.
A Kloeden	14	n.a.	1	1
P Martin	14	5	n.a.	1
S Bird(resigned 24 May 2011)	12	n.a.	n.a.	n.a.
A Meerman (resigned 1 September 2011)	14	n.a.	n.a.	n.a.
A Gay (resigned 27 October 2010)	5	n.a.	n.a.	n.a.

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

Nomination and Remuneration Committee
Byram Johnston OAM
Adrian Kloeden

Finance & Audit Committee
Peter Martin
Byram Johnston OAM

Mergers & Acquisitions Committee
Adrian Kloeden
Peter Martin

Tax Consolidation

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

Corporate Governance

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

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Moore Stephens, to provide the Directors of Greencap Limited with an Independence Declaration in relation to the audit of the financial report for the year ended 30 June 2011. This Independence Declaration is attached to the Directors' Report.

Non Audit Services

The Board of Directors, in accordance with advice from the Finance & Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

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

The following non-audit services were either provided by the entity's auditor, Moore Stephens during the year ended 30 June 2011, or provided by them in the prior financial year and invoiced and paid during the 2011 financial year:

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

	$ 000
Corporate tax advisory services:	68

Rounding of Amounts

The Company is an entity to which ASIC Class Order 98/100 applies, and accordingly, amounts in the Financial Statements and Directors' Report have been rounded to the nearest thousand dollars.

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

B Johnston

Byram Johnston OAM
Chairman
Place: Melbourne VIC
Date: 22 September 2011

MOORE STEPHENS

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

I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2011, there have been:

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

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

Neil Pace

NEIL PACE
PARTNER

Moore Stephens

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 22nd day of September 2011.

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Statement of Comprehensive Income

For the Year ended 30 June 2011

	Note	CONSOLIDATED	
		2011 $000s	2010 $000s
Continuing operations			
Revenue	5	**58,936**	53,386
Other income	5	**43**	1
Direct project external expenses		**(8,257)**	(8,090)
Employee benefits expense		**(35,769)**	(32,788)
Share based payment expense		**(71)**	-
Occupancy expense		**(2,558)**	(2,134)
Depreciation		**(580)**	(454)
Other expenses from continuing operations		**(5,274)**	(4,813)
Profit from continuing operations before tax and finance costs		**6,470**	5,108
Finance costs		**(1,058)**	(936)
Profit before income tax		**5,412**	4,172
Income tax expense	6	**(1,579)**	(1,250)
Net Profit after tax from continuing operations		**3,833**	2,922
Discontinued operation			
Profit / (Loss) after tax from discontinued operations	7	**(9,523)**	1,405
Net Profit / (loss) for the period		**(5,690)**	4,327
Net Profit /(Loss) attributable to members of Greencap Limited		**(5,690)**	4,327
Earnings per share - dollars per share	8		
- basic for earnings / (loss) for the year		**$(0.0216)**	$0.0166
- basic for earnings from continuing operations		**$0.0146**	$0.0112
- diluted for earnings / (loss) for the year		**$(0.0216)**	$0.0166
- diluted for earnings from continuing operations		**$0.0146**	$0.0112
- dividends declared per share		**n/a**	n/a

Statement of Financial Position

as at 30 June 2011

	Note	CONSOLIDATED 2011 $000s	2010 $000s
ASSETS			
Current Assets			
Cash and cash equivalents	9	**2,938**	3,340
Trade and other receivables	10	**13,547**	13,208
Other current assets	11	**2,213**	1,733
		18,698	18,281
Assets classified as held for sale		**13,589**	-
Total Current Assets		**32,287**	18,281
Non Current Assets			
Plant and equipment	12	**2,345**	3,034
Intangible assets	13	**41,772**	61,387
Other non-current assets	11	**1,345**	1,508
Total Non Current Assets		**45,462**	65,929
TOTAL ASSETS		**77,749**	84,210
LIABILITIES			
Current Liabilities			
Trade and other payables	16	**5,405**	7,346
Provisions	17	**3,724**	3,576
Other current liabilities	18	**1,516**	1,538
Interest bearing liabilities	19	**7,103**	1,838
		17,748	14,298
Liabilities directly associated with assets classified as held for sale		**1,903**	-
Total Current Liabilities		**19,651**	14,298
Non Current Liabilities			
Trade and other payables	16	**-**	33
Other non-current liabilities	18	**6**	85
Interest bearing liabilities	19	**5,677**	11,757
Total Non Current Liabilities		**5,683**	11,875
TOTAL LIABILITIES		**25,334**	26,173
NET ASSETS		**52,415**	58,037
EQUITY			
Issued capital	20	**45,938**	45,938
Reserve	20	**690**	622
Accumulated profits	20	**5,787**	11,477
TOTAL EQUITY		**52,415**	58,037

Statement of Cash Flows

For the Year ended 30 June 2011

	Note	CONSOLIDATED 2011 $000s	2010 $000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**72,997**	68,538
Payments to suppliers and employees		**(63,895)**	(56,189)
Interest and bill discounts received		**56**	68
Borrowing costs paid		**(1,087)**	(1,037)
Income taxes paid		**(1,810)**	(1,372)
Goods and services tax paid		**(4,346)**	(4,205)
Net cash inflows from operating activities	9	**1,915**	5,803
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of controlled entities		**-**	(580)
Purchase of plant and equipment		**(1,812)**	(1,130)
Other		**4**	1
Net cash used in investing activities		**(1,808)**	(1,709)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		**-**	(7)
Net proceeds from borrowings		**2,060**	164
Repayment of borrowings		**(1,956)**	(2,364)
Payment of dividend		**-**	(1,825)
Payment of loan entitlements to vendors of acquired businesses		**-**	(509)
Net cash inflows from / (used in) financing activities		**104**	(4,541)
Net increase / (decrease) in cash and cash equivalents		**211**	(447)
Cash and cash equivalents at the beginning of the financial year		**3,340**	3,787
Less: cash and cash equivalents of assets classified as held for sale		**(613)**	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	**2,938**	3,340

Statement of changes in equity

For the Year ended 30 June 2011

Consolidated	Issued Capital $ 000s	Option Premium Reserve $ 000s	Accum. Profit $ 000s	Other Reserves $ 000s	Total $ 000s
	Attributable to Equity Holders of the Parent Entity				
At 1 July 2010	**45,938**	**622**	**11,477**	**-**	**58,037**
Net Profit after tax from continuing operations	-	-	3,833	-	3,833
Loss after tax from discontinued operations	-	-	(9,523)	-	(9,523)
Share based payment expense	-	71	-	-	71
Foreign currency translation	-	-	-	(3)	(3)
At 30 June 2011	**45,938**	**693**	**5,787**	**(3)**	**52,415**

Consolidated	Issued Capital $ 000s	Option Premium Reserve $ 000s	Accum. Profit $ 000s	Other Reserves $ 000s	Total $ 000s
	Attributable to Equity Holders of the Parent Entity				
At 1 July 2009	**45,279**	**622**	**9,085**	**-**	**54,986**
Profit for the period	-	-	4,327	-	4,327
Shares issued to vendors of acquired businesses	553	-	-	-	553
Share issue costs	(4)	-	-	-	(4)
Dividend Reinvestment Plan	110	-	-	-	110
Dividend paid	-	-	(1,935)	-	(1,935)
At 30 June 2010	**45,938**	**622**	**11,477**	**-**	**58,037**

NOTE 1: CORPORATE INFORMATION

The financial report of Greencap Limited for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 23 September 2011.

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

The nature of the operations and principal activities of the consolidated entity are described in note 4 (Segment note)

NOTE 2: BASIS OF PREPARATION OF PRELIMINARY FINANCIAL REPORT

Basis of Preparation

This preliminary financial report has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes to the financial statements of Greencap Limited comply with International Financial Reporting Standards (IFRS).

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the last annual report and any public announcements to the market made by the Company during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the listing rules of the ASX.

The accounting policies adopted have been consistent with those of the previous financial year.

Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Greencap Limited.

- **AASB 124:** Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).
  This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.
- **AASB 2009–4:** Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).
  These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.
- **AASB 2009–8:** Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).
  These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.
- **AASB 2009–9:** Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).
  These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Group.

- **AASB 2009–10:** Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).
  These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

- **AASB 2009–12:** Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).
  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.

- **AASB 2009–13:** Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).
  This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.

- **AASB 2009–14:** Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).
  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- **AASB Interpretation 19:** Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).
  This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards.

None of these changes are expected to significantly impact the group.

Basis of consolidation

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

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

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

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

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

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and it subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Business combinations

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest; and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquire either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest in determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operation segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

Revenue recognition

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

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

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

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

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

Interest
Revenue is recognised as the interest accrues.

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

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Leases

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

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

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

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

Cash and cash equivalents

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

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

Trade and other receivables

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

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

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

Work in progress – direct costs; and

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

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

Foreign currency translation

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

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

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

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

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

The functional currency of the overseas subsidiaries ENV Asia Pte Ltd and PT ENV Indonesia Pte Ltd are both in US Dollars.

As at the reporting date being 30 June 2011, the assets and liabilities of these overseas entities have been translated into the presentation currency of Greencap Limited at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period since commencing operations.

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

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

Income tax

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

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

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

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

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

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

Other taxes

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

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

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

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

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

Property, plant and equipment

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

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

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

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

Impairment

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

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

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

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

Impairment losses are recognised in the income statement.

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

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

Financial Instruments

Recognition and Initial Measurement

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

Investments and other financial assets

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

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

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

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

Interest-bearing loans and borrowings

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

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

Intangibles

Goodwill

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

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

Goodwill is not amortised.

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

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

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

- represents the lowest level within the consolidated entity at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the consolidated entity's primary or the consolidated entity's secondary reporting format determined in accordance with AASB 8 "Segment Reporting"

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

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

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

Impairment losses recognised for goodwill are not subsequently reversed.

Patents and Trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life.

Research and development costs

Research and development costs are expensed as incurred.

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

Impairment of assets

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

Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

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

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

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

Trade and other payables

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

Provisions

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

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

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

Employee leave benefits

Wages, salaries, annual leave and sick leave

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

Long service leave

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

Equity Settled compensation

The Company operates an equity settled share based payment employee share scheme. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The Company invites all group employees to participate in share participation, through the Company's Employee Share Trust. A parcel of 10,000 Company shares held through a share unit is offered to all employees, and the purchase of the share units being matched by a non-recourse loan between the employee and the share plan trustee. The nature of these shares is similar to an option, hence the loan made, and newly issued share capital issued under the scheme is not recognised in the accounts at its gross value. Accordingly, shares issued in this manner are valued using the Black-Scholes model. The number of shares expected to vest 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.

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

Contributed equity

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

Earnings per share

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

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

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

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

Critical accounting estimates and judgements

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

Impairment of goodwill and intangibles

The consolidated entity determines whether goodwill with indefinite useful life is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill has been allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill are set out in Note 13.

Goodwill in respect of the risk management service businesses previously acquired by the Company was assessed in respect of each acquired business, and cash generating unit.

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

Comparative Figures

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

Rounding of Amounts

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

NOTE 3: PARENT ENTITY INFORMATION

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with the Australian Accounting Standards.

STATEMENT OF FINANCIAL POSITION	2011 $000s	2010 $000s
ASSETS		
Current assets	**946**	1,536
Non current assets	**54,048**	62,785
TOTAL ASSETS	**54,994**	64,321
LIABILITIES		
Current liabilities	**8,599**	3,046
Non current liabilities	**7,673**	12,221
TOTAL LIABILITIES	**16,272**	15,267
EQUITY		
Issued capital	**45,938**	45,938
Retained earnings	**(7,909)**	11,477
Option reserve	**693**	622
Foreign currency translation reserve	**-**	-
TOTAL EQUITY	**38,722**	58,037
STATEMENT OF COMPREHENSIVE INCOME		
Total loss	**(10,404)**	(620)
Total comprehensive loss	**(10,404)**	(620)

Guarantees

Greencap Limited has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent liabilities

Greencap Limited has no contingent liabilities, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contractual commitments

At 30 June 2011, Greencap Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2010: nil)

NOTE 4: SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of service business type. There is limited degree of diversification of the Group's operations, with similar risk profiles and performance assessment criteria being in place. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the services provided by the segment;
- the service delivery process;
- the type or class of customer for the services;
- the delivery method; and
- any external regulatory requirements

Services by Segment

OHS and Property
The OHS and Property segment involves the delivery of services that primarily affect owners and users of property. It also incorporates advisory services relating to business risk management.

Environmental
The Environmental sector encompasses those group businesses that provide environmental consulting advisory services.

Corporate
The corporate segment represents the corporate costs incurred by the Company in running the central group operation.

Discontinued Operations
This segment includes the two business segments being exited in the 2012 financial year:

- The testing sector encompassing the provision of laboratory an analytical services including specialist consulting advice related to analysis and testing results; and
- The building code certification business incorporating PCA functions.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, amounts now reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions
Inter-segment sales are made on an arm's length basis between group businesses and segments. Revenues are attributed to geographic areas based on the location of the assets producing the revenues. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate costs are maintained and managed on a standalone basis. Such corporate costs are recharged to operating businesses on the basis of proportion of revenue compared to total group revenue.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. Goodwill is allocated against the corporate segment.

Segment liabilities
Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are allocated against the corporate segment. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items
The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment unless incurred by a business within the relevant operating segment:

- Derivatives
- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Other financial liabilities
- Intangible assets
- Discontinued operations (which is reported as a separate segment)

NOTE 4: SEGMENT INFORMATION (continued)

Comparative Information

The comparative information in the statement of Comprehensive Income and in Note 4 has been restated to include those operations classified as discontinued in the current year.

Year ending 30 June 2011	OHS Property $000s	Environmental $000s	Corporate $000s	Continuing Operations $000s	Discontinued Operations $000s	TOTAL $000s
Revenue						
Sales to external customers	35,580	23,309	-	58,889	7,475	**66,364**
Other revenues from external parties	4	14	25	43	60	**103**
Interest revenue	24	5	18	47	4	**51**
Total segment revenue	35,608	23,328	43	58,979	7,539	
Total consolidated revenue						**66,518**
Result						
Segment result before finance costs	4,074	2,367	29	6,470	430	**6,900**
Finance costs	(13)	(29)	(1,016)	(1,058)	(52)	**(1,110)**
Profit/(Loss) before income tax	4,061	2,338	(987)	5,412	378	**5,790**
Income tax expense				(1,579)	(113)	**(1,692)**
Impairment of goodwill associated with the Trevor R Howse business					(9,788)	**(9,788)**
Attributable income tax expense					-	**-**
Consolidated profit / (loss) from ordinary activities after income tax				3,833	(9,523)	**(5,690)**
Net Profit / (Loss)				3,833	(9,523)	**(5,690)**
Assets						
Segment assets	12,304	9,092	42,764	64,160	13,589	
Total assets						**77,749**
Liabilities						
Segment liabilities	6,780	2,893	13,759	23,431	1,903	
Total liabilities						**25,334**
Other segment information						
Capital expenditure	411	394	201	1,006	806	**1,812**
Depreciation	278	301	1	580	295	**875**
Share based payments	-	-	71	71	-	**71**
Other non cash expenses	278	301	72	651	295	**946**

	OHS Property $000s	Environmental $000s	Corporate $000s	Continuing Operations $000s	Discontinued Operations $000s	TOTAL $000s
Cash flow information						
Net cash inflows from/(used in) operating activities	3,223	582	(3,130)	675	1,240	**1,915**
Net cash inflows from / (used in) investing activities	(2,952)	(472)	3,159	(265)	(1,543)	**(1,808)**
Net cash inflows from / (used in) financing activities	5	(70)	(112)	(177)	281	**104**

NOTE 4: SEGMENT INFORMATION (continued)

Year ending 30 June 2010	OHS Property $000s	Environmental $000s	Corporate $000s	Continuing Operations $000s	Discontinued Operations $000s	TOTAL $000s
Revenue						
Sales to external customers	33,507	19,813	-	53,320	9,355	**62,675**
Other revenues from external parties	-	1	-	1	123	**124**
Interest revenue	13	8	44	65	5	**70**
Total segment revenue	33,520	19,822	44	53,386	9,483	
Total consolidated revenue						**62,869**
Result						
Segment result before finance costs	3,569	1,490	49	5,108	2,306	**7,414**
Finance costs	(11)	(9)	(916)	(936)	(96)	**(1,032)**
Profit before income tax	3,558	1,481	(867)	4,172	2,210	**6,382**
Income tax expense				(1,250)	(805)	**(2,055)**
Consolidated profit from ordinary activities after income tax						**4,327**
Net Profit After Tax				2,922	1,405	**4,327**
Assets						
Segment assets	10,463	6,522	62,779	79,764	4,446	
Total assets						**84,210**
Liabilities						
Segment liabilities	6,911	3,043	14,266	24,220	1,953	
Total liabilities						**26,173**
Other segment information						
Capital expenditure	258	427	-	685	445	**1,130**
Depreciation	256	197	1	454	273	**727**
Share based payments	-	-	-	-	-	**-**
Other non cash expenses	256	197	1	454	273	**727**

	OHS Property $000s	Environmental $000s	Corporate $000s	Continuing Operations $000s	Discontinued Operations $000s	TOTAL $000s
Cash flow information						
Net cash inflows from / (used in) operating activities	2,170	1,685	(160)	3,695	2,108	**5,803**
Net cash inflows from / (used in) investing activities	(2,178)	(1,677)	3,623	(232)	(1,477)	**(1,709)**
Net cash inflows from / (used in) financing activities	(84)	2	(3,780)	(3,862)	(679)	**(4,541)**

NOTE 4: SEGMENT INFORMATION (continued)

Secondary Reporting – Geographical Segments

	30 June 2011 $000s	30 June 2010 $000s
Revenue by geographical region Revenue attributable to external customers is disclosed below, based on the location of the external customer:		
Australia	**65,207**	62,737
Indonesia	**1,311**	132
Total revenue	**66,518**	62,869

	30 June 2011 $000s	30 June 2010 $000s
Assets by geographical region The location of segment assets by geographical location of the assets is disclosed below:		
Australia	**77,008**	83,725
Indonesia	**741**	485
Total assets	**77,749**	84,210

Major customers

The Group has a broad range of customers to whom it provides services. The Group does not supply services to any single external customer who accounts for more than 10% of revenue (2010: no customers more than 10%). The most significant client accounted for 4.5% (2010: 5%) of external revenue.

NOTE 5: INCOME AND EXPENSES

	CONSOLIDATED	
	2011 $000s	2010 $000s
Revenue		
Professional fees charged	**53,318**	46,376
Project costs recharged	**5,570**	6,945
Interest received	**47**	65
	58,936	53,386
Other income		
Other income	**43**	1
	43	1

The Income Tax Expense for the year ended 30 June 2011 does not differ materially from the prima facie income tax applied to the profit before income tax.

NOTE 6: INCOME TAX

	CONSOLIDATED	
Major components of income tax expense for the years ended 30 June 2011 and 2010 are:	**2011 $000s**	2010 $000s
Income Statement		
Current income tax		
Current income tax charge	**1,808**	2,243
Adjustments in respect of current income tax of previous years	**(73)**	40
Deferred income tax		
Relating to origination and reversal of temporary differences	**(36)**	(228)
Adjustments in respect of current income tax of previous years	**(7)**	-
Income tax expense reported in income statement	**1,692**	2,055
Statement of changes in equity		
Deferred income tax	**-**	(2)
Income tax credit reported in equity	**-**	(2)
A reconciliation of income tax expense applicable to accounting profit / (loss) before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 30 June 2011 and 2010 is as follows:		
Accounting profit /(loss) before tax from:		
- Continuing operations	**5,412**	4,172
- Discontinued operations	**(9,410)**	2,210
Accounting profit /(loss) before income tax	**(3,998)**	6,382
Prima facie income tax expense on accounting profit at 30% (2010: 30%) from continuing operations	**1,623**	1,252
Tax effect of amounts not deductible / (assessable) in calculating taxable income:		
Other non-allowable items	**19**	-
Prior period adjustments, including losses recouped	**(63)**	(2)
Income tax expense attributable to continuing operations	**1,579**	1,250
Prima facie income tax expense/(benefit) on accounting profit / (loss) before income tax at 30% from discontinued operations	**(2,823)**	663
Tax effect of amounts not deductible / (assessable) in calculating taxable income:		
- Discontinued operations	**2,936**	142
Income tax expense attributable to discontinued operations	**113**	805
Income tax expense attributable to:		
- Continuing operations	**1,579**	1,250
- Discontinued operations	**113**	805
Income tax expense / (credit) reported in income statement	**1,692**	2,055
Tax assets and liabilities		
Current tax payable	**827**	696

Tax consolidation

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

NOTE 7: DISCONTINUED OPERATIONS

On 1 July 2011, Greencap Limited announced its decision to exit its non-core services, building certification and testing, by disposing of Trevor R Howse & Associates Pty Ltd and Leeder Consulting Pty Ltd, thereby discontinued its operations in these business segments.

Financial information relating to the discontinued operations is set out below.

The financial performance of the discontinued operations, which is included in the profit/(loss) from discontinued operations per the statement of comprehensive income, is as follows:

	CONSOLIDATED	
	30 June 2011 $000s	30 June 2010 $000s
Revenue	**7,539**	9,483
Expenses	**(7,161)**	(7,273)
Profit before income tax	**378**	2,210
Income tax expense	**(113)**	(805)
	265	1,405
Impairment of Goodwill associated with the discontinued operations	**(9,788)**	-
Net profit / (loss) attributable to the discontinued operations	**(9,523)**	1,405

The net cash flows of the discontinued operations, which have been incorporated into the statement of cash flows, are as follows:

Operating Activities	1,240	2,108
Investing Activities	(1,543)	(1,477)
Financing Activities	281	(679)
Net cash outflow for the year	(22)	(48)

NOTE 8: EARNINGS PER SHARE

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

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

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

	CONSOLIDATED	
	2011 $000s	2010 $000s
Net profit attributable to ordinary equity holders of the parent entity from continuing operations	**3,833**	2,922
Net profit/(loss) attributable to ordinary equity holders of the parent entity in respect of discontinued operations	**(9,523)**	1,405
Net profit/(loss) attributable to ordinary equity holders of the parent entity	**(5,690)**	4,327
Weighted average number of ordinary shares for basic earnings per share and diluted earnings per share (there has been no effect of dilution during the year)	**Number 262,515,385**	Number 261,103,195

Details regarding shares issued by the Company during the year ended 30 June 2011 are set out in Note 20.

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

	2011 $ 000s	2010 $ 000s
Net profit / (loss) attributable to ordinary equity holders of the parent entity from discontinued operations:	**(9,523)**	1,405
- For basic earnings / (loss) per share	**(3.6) cents per share**	0.5 cent per share
- For basic diluted earnings / (loss) per share	**(3.6) cents per share**	0.5 cent per share

NOTE 9: CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2011 $000s	2010 $000s
Cash at bank and in hand	**2,875**	2,444
Short term deposits	**63**	896
	2,938	3,340
Cash at bank and short terms deposits earn interest at floating rates based on daily bank deposit rates.		
The fair value of cash and cash equivalents is $2,938,000 (2010: $3,340,000)		
Reconciliation to the Cash Flow Statement		
For purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June:		
Cash at banks and in hand	**2,875**	2,444
Short term deposits	**63**	896
Cash at 30 June	**2,938**	3,340

Reconciliation of net profit / (loss) after tax to net cash from operations		
Net profit / (loss) after income tax	**(5,690)**	4,327
Non-Cash Items		
Depreciation	**875**	727
Recoverable amount provision	**118**	598
Share based payment expense	**71**	-
Impairment of goodwill associated with discontinued operations	**9,788**	-
Change in assets and liabilities, excluding capital related items		
Decrease/(increase) in trade and other debtors	**(457)**	(1,367)
Decrease/(increase) in prepayments, other current assets and other non-current assets	**(318)**	(890)
Increase/(decrease) in trade creditors and other creditors	**(2,081)**	4,003
Increase/(decrease) in provision employee entitlements	**149**	(1,595)
Net assets and liabilities of discontinued operations held for sale	**(540)**	-
Net cash inflows from/(used in) operating activities	**1,915**	5,803

Financing Facilities

As at 30 June 2011 the consolidated entity had an overdraft facility of $nil (2010: Nil).

Non cash financing and investing activities

	CONSOLIDATED	
Shares issued in respect of	**2011**	2010
Purchase of Leeder Consulting	-	3,032,970
Purchase of ELP	-	701,180
Dividend entitlements received under Company Dividend Reinvestment Plan	-	712,894
	-	4,447,044

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

NOTE 10: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
CURRENT	**2011 $000s**	2010 $000s
Trade receivables	**13,219**	12,946
Sundry debtors	**262**	152
Goods and Services Tax	**38**	11
Deposits	**28**	99
	13,547	13,208

Provision for impairment of receivables

	Opening Bal. 1 July 2010 $000s	Charge for Year $000s	Amounts written off $000s	**Closing Bal. 30 June 2011 $000s**
Trade receivables	(770)	(118)	488	**(400)**

	CONSOLIDATED	
The ageing of receivables at reporting date was as follows:	**2011 $000s**	2010 $000s
Current invoicing	**7,969**	6,865
30 days	**3,480**	3,815
31 – 60 days	**1,339**	1,327
Over 61 days	**431**	940
	13,219	12,946

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

There are no other significant concentrations of credit risk.

NOTE 11: OTHER ASSETS

	CONSOLIDATED	
CURRENT	**2011 $000s**	2010 $000s
Prepayments	**1,054**	886
Inventories and work in progress	**1,086**	847
Income tax receivable	**73**	-
	2,213	1,733
NON CURRENT		
Prepayments	**25**	69
Deferred Tax Asset (Note 11a)	**1,318**	1,439
Other	**2**	-
	1,345	1,508

Note 11 (a)

Deferred Tax Asset

The balance comprises temporary differences attributable to:		
Employee benefits	**904**	917
Provisions	**120**	160
Accruals	**117**	44
Capital Raising Costs	**177**	307
Other	**-**	11
	1,318	1,439

Movements – Consolidated	Balance at 1 July 2010 $ 000s	Other $ 000s	Credit / (charge) to income statement $ 000s	Credit / (charge) to equity $ 000s	Balance at 30 June 2011 $ 000s
Employee benefits	917	-	(13)	-	**904**
Provisions	160	-	(40)	-	**120**
Accruals	44	-	73	-	**117**
Capital Raising Costs	307	(1)	(129)	-	**177**
Other	11	-	(11)	-	**-**
	1,439	(1)	(120)	-	**1,318**

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED			
2011	**Leasehold Improvements $000s**	**Plant & Equipment $000s**	**Leased Plant & Equipment $000s**	**TOTAL $000s**
As at 1 July 2010, net of accumulated Depreciation and Impairment	145	1,520	122	1,787
Additions	56	1,160	157	1,373
Assets transferred	-	-	-	-
Net disposals	(62)	(91)	(56)	(209)
Depreciation charge for the year	(24)	(536)	(46)	(605)
As at 30 June 2011, net of accumulated Depreciation and Impairment	115	2,053	177	2,345
At 1 July 2010				
Cost or fair value	361	5,417	895	6,673
Accumulated Depreciation and Impairment	(159)	(3,266)	(214)	(3,639)
Net Carrying Amount	202	2,151	681	3,034
At 30 June 2011				
Cost or fair value	301	5,608	257	6,166
Accumulated Depreciation and Impairment	(186)	(3,555)	(80)	(3,821)
Net Carrying Amount	115	2,053	177	2,345

	CONSOLIDATED			
2010	**Leasehold Improvements $000s**	**Plant & Equipment $000s**	**Leased Plant & Equipment $000s**	**TOTAL $000s**
As at 1 July 2009, net of accumulated Depreciation and Impairment	180	1,623	779	2,582
Additions	62	966	164	1,192
Assets transferred	-	101	(101)	-
Net disposals	-	(13)	-	(13)
Depreciation charge for the year	(40)	(526)	(161)	(727)
As at 30 June 2010, net of accumulated Depreciation and Impairment	202	2,151	681	3,034
At 1 July 2009				
Cost or fair value	299	4,345	864	5,508
Accumulated Depreciation and Impairment	(119)	(2,722)	(85)	(2,926)
Net Carrying Amount	180	1,623	779	2,582
At 30 June 2010				
Cost or fair value	361	5,417	895	6,673
Accumulated Depreciation and Impairment	(159)	(3,266)	(214)	(3,639)
Net Carrying Amount	202	2,151	681	3,034

NOTE 13: INTANGIBLE ASSETS AND GOODWILL

	CONSOLIDATED		
2011	**Goodwill $000s**	**Patents & Trademarks $000s**	**Total $000**
As at 1 July 2010, net of accumulated Amortisation and Impairment	61,387	-	61,387
Additions – costs associated with investment	-	2	2
Disposals	-	-	-
Impairment	(9,788)	-	(9,788)
Reallocation of Goodwill associated with discontinued operation's assets classified as held for sale	(9,829)	-	(9,829)
Amortisation charge for the year	-	-	-
As at 30 June 2011, net of accumulated Amortisation and Impairment	41,770	2	41,772
At 1 July 2010			
Cost (gross carrying amount)	71,845	-	71,845
Accumulated Amortisation and Impairment	(10,458)	-	(10,458)
Net Carrying Amount	61,387	-	61,387
At 30 June 2011			
Cost (gross carrying amount)	62,016	2	62,018
Accumulated Amortisation and Impairment	(20,246)	-	(20,246)
Net Carrying Amount	41,770	2	41,772

	CONSOLIDATED		
2010	**Goodwill $000s**	**Patents & Trademarks $000s**	**Total $000**
As at 1 July 2009, net of accumulated Amortisation and Impairment	61,384	-	61,384
Additions – costs associated with investment	3	-	3
Disposals	-	-	-
Impairment	-	-	-
Amortisation charge for the year	-	-	-
As at 30 June 2010, net of accumulated Amortisation and Impairment	61,387	-	61,387
At 1 July 2009			
Cost (gross carrying amount)	71,842	-	71,842
Accumulated Amortisation and Impairment	(10,458)	-	(10,458)
Net Carrying Amount	61,384	-	61,384
At 30 June 2010			
Cost (gross carrying amount)	71,845	-	71,845
Accumulated Amortisation and Impairment	(10,458)	-	(10,458)
Net Carrying Amount	61,387	-	61,387

Goodwill acquired through business combinations in the year ended 30 June 2010 relates to the OHS Property, Environmental, and Testing segment businesses. Patents and trademarks include the Greencap trademark.

NOTE 14: IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS

Goodwill acquired through business combinations, has been allocated to each of the individual cash generating units within the Company. The Company has ten cash generating units across sectors (four in OHS Property segment, five in Environmental segment, one in testing segment). One cash generating unit is a startup business, and has no goodwill associated with it. This cash generating unit is in the Environmental segment.

Acquired goodwill in respect of each cash generating unit within each segment has been subject to impairment testing as at 30 June 2011, based on discounted 5 year cash flow projections for each cash generating unit. No impairment was identified.

In making the assessment for each cash generating unit (other than the non-acquired cash generating unit), a growth rate based on I.M.F forecasts was applied to operating cash flows over the 5 year assessment period (2013: 3.32% p.a., 2014: 3.25% p.a., 2015: 3.15% p.a. and 2016: 3.00%). Cash-flows were discounted over a range of rates between 6.5% and 15%. The discount rate used for final assessment was 10%. A theoretical year 5 terminal value in respect of the relevant cash generating unit was then applied to equate the respective discounted cash flow to the current carrying value of that relevant cash generating unit. The theoretical terminal value was then considered in terms of reasonableness. The goodwill, and required theoretical terminal value applicable to each cash generating unit are set out below.

Cash Generating Unit	Goodwill as at 30 June 2011 $000s	Theoretical terminal value required to attain breakeven. $000s
NAA	21,507	-
Trimevac	2,731	-
ENV / Validus	9,495	3,019
ECC	1,031	101
ELP	2,961	-
AEC Environmental	3,590	-
MC2 Pacific	455	-
	41,770	

NOTE 15: SHARE BASED PAYMENT PLANS

The Company has established a Share Based payment plan, under an Employee Share Trust as approved by shareholders in General Meeting. The Company also received approval from shareholders in General Meeting to establish an option based plan, which has yet to be implemented. The Employee Share Trust enables the Company to involve all staff in share ownership of the Company, in a number of ways.

The principle means of involvement are:

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

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

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

	2011 Number	2010 Number
Shares issued under Employee Share Trust at 1 July	**11,624,417**	10,047,317
Shares purchased on-market by Share Plan Trust for issue to qualifying staff members inclusive of salary sacrifice subscriptions taken up by staff members.	**10,000**	3,475,823
Shares disposed of / transferred to direct ownership by Trustee on behalf of employees	**(2,470,674)**	(1,898,723)
	9,163,743	11,624,417

Prior to the financial year ended 30 June 2010, share options had been granted to Directors and Senior Executives under a previously approved executive share option plan. The last options issued under this approved arrangement were in year ended 30 June 2006. Following approval by shareholders at a general meeting held on 6 July 2007 to consolidate the Company's capital on a 1:20 basis, the exercise price of options on issue to employees and former employees of the Company, was adjusted to $4.00. As at 30 June 2007 the exercise price of these options was $0.20 (on a pre 1:20 consolidation basis). The options vested after prescribed periods of employment and if predetermined share prices were achieved. There was no cash settlement alternative.

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

	2011 Number	2010 Number
Options on issue at 1 July	**-**	50,000
Granted during the year	**-**	-
Forfeited during the year	**-**	-
Exercised during the year	**-**	-
Expired during the year	**-**	(50,000)
Options on issue at 30 June	**-**	-

There are no options on issue at 30 June 2011 (2010: nil).

NOTE 16: TRADE AND OTHER PAYABLES

CURRENT	CONSOLIDATED 2011 $000s	2010 $000s
Trade creditors	**1,457**	1,935
Accrued expenses and sundry creditors	**1,544**	3,244
GST Payable	**1,189**	1,313
Payroll related taxes	**918**	668
Superannuation	**297**	186
	5,405	7,346

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

NON CURRENT		
Accrued expenses and sundry creditors	**-**	33
Amounts due from group entities	**-**	-
	-	33

NOTE 17: PROVISIONS

CURRENT	CONSOLIDATED 2011 $000s	2010 $000s
Annual leave	**1,582**	1,646
Long service leave	**1,434**	1,528
Other	**708**	402
	3,724	3,576

NOTE 18: OTHER CURRENT LIABILITIES

	CONSOLIDATED	
CURRENT	**2011 $000s**	2010 $000s
Unearned revenue	**778**	797
Income tax	**681**	696
Other	**57**	45
	1,516	1,538
NON CURRENT		
Deferred tax liability (note 18a)	**6**	85
	6	85

NOTE 18 (a)

Deferred Tax Liability		
Work in progress	**-**	72
Prepayments	**-**	8
Plant & Equipment	**4**	4
Other	**2**	1
	6	85

Movements – Consolidated	Balance at 1 July 2010 $ 000s	Other $ 000s	Credit / (charge) to income statement $ 000s	Credit / (charge) to equity $ 000s	Balance at 30 June 2011 $ 000s
Work in progress	(72)	(5)	77	-	-
Prepayments	(8)	-	8	-	-
Plant & Equipment	(4)	-	-	-	(4)
Other	(1)	(1)	-	-	(2)
	(85)	(6)	85	-	(6)

NOTE 19: INTEREST BEARING LIABILITIES

	CONSOLIDATED	
CURRENT	**2011 $000s**	2010 $000s
Equipment loan	**103**	326
Commercial Bill Facility	**7,000**	-
Vendor Loan Agreements	**-**	1,512
	7,103	1,838
NON CURRENT		
Equipment loan	**177**	657
Commercial Bill Facility	**5,500**	11,100
	5,677	11,757

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

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

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

The Company provides quarterly financial reports to the lending institution as part of the normal facility terms. Financial performance covenants as established under the facility consist of three primary measures, being:

1) Gross Drawn Debt: EBIT to be maintained below certain pre agreed levels;

2) Debt service cover, being EBIT: gross interest and current portion of long term debt to be maintained above certain pre agreed levels; and

3) Group net equity to be no less than certain pre agreed levels.

All covenants measures were met by the Company in each of the quarterly reporting periods.

The Company and the lending institution have recently concluded the annual facility review; the review increased the facility limits by $2 million and maintained the primary measures of the financial performance covenants. The financial covenant measures continue to be assessed on a quarterly basis.

NOTE 20: CONTRIBUTED EQUITY AND RESERVES

	CONSOLIDATED	
Contributed Equity	**2011 $000s**	2010 $000s
Ordinary shares: issued and fully paid	**45,938**	45,938

	CONSOLIDATED	
	Number of shares	**$000s**
Balance at 30 June 2010	**262,515,385**	45,938
Balance at 30 June 2011	**262,515,385**	45,938

Balance at 30 June 2009	**258,068,341**	45,279
Shares Issued during year ended 30 June 2010:		
22 September 2009: Dividend Reinvestment Plan	**712,894**	110
30 October 2009: final deferred consideration for purchase of ELP Pty Ltd	**701,180**	104
30 October 2009: final deferred consideration for purchase of Leeder Consulting Pty Ltd	**3,032,970**	449
Share issue costs net of deferred tax	-	(4)
Balance at 30 June 2010	**262,515,385**	45,938

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

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

Share Options

Unlisted employee options over ordinary shares

The Company previously issued options under a shared based payment option scheme under which options to subscribe for the Company's shares were granted to certain Directors and Executives (refer to Note 15).

Unlisted options over ordinary shares

At 30 June 2011 the number of unlisted options on issue was nil (2010: nil). During the year no options were exercised to acquire ordinary shares (2010: nil)

	CONSOLIDATED	
Option Premium Reserve	**2011 $000s**	2010 $000s
Balance at 1 July	**622**	622
Share based payments	**71**	-
Balance at 30 June	**693**	622

Performance Rights

The Performance Rights issued during the year are detailed in Note 24 (d).

NOTE 20: CONTRIBUTED EQUITY AND RESERVES (continued)

	CONSOLIDATED	
Accumulated Profits / (Losses)	**2011 $000s**	2010 $000s
Balance at 1 July	**11,477**	9,085
Total Comprehensive Income attributable to members of Greencap Limited	**(5,690)**	4,327
Dividend Paid	**-**	(1,935)
Balance at 30 June	**5,787**	11,477
Foreign Currency Translation Reserve		
Balance at 1 July	**-**	-
Foreign currency translation difference	**(3)**	-
Balance at 30 June	**(3)**	-

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

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

a) market risk;

b) liquidity risk; and

c) credit risk.

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

a) Market Risk

Interest Rate Risk

The Company has set a policy of maintaining the ratio of Gross Debt to Net Equity within a range of 20% to 40%.

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

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

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

	CONSOLIDATED	
	2011 $000s	2010 $000s
Cash and cash equivalents	**2,938**	3,340
Commercial Bill Facility	**(12,500)**	(11,100)
Vendor Loan Arrangements	**-**	(1,512)
Equipment Finance	**(280)**	(983)
Net Exposure	**(9,842)**	(10,255)

	CONSOLIDATED	
Change in Net Profit after Tax	**2011 $000s**	2010 $000s
- Increase in interest rate by 1%	**(122)**	(82)
- Decrease in interest rate by 1%	**122**	82

Foreign Exchange Risk

The Company established a new business group to target environmental market opportunities identified in Indonesia. Two entities have been established as part of this initiative located in Singapore and Indonesia. The functional currency for both entities is US Dollars. Investment and loan funding to these two entities at 30 June 2011 amounted to A$873,736. At this stage of development, the Company has no material foreign currency exposure.

b) Liquidity Risk

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

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

	CONSOLIDATED	
	2011 $000s	2010 $000s
Between 0 and 6 months	**7,649**	2,210
Between 6 and 12 months	**53**	702
Between 1 and 5 years	**6,145**	14,080
	13,847	16,992

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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

Consolidated as at 30 June 2011	0 – 6 months $000s	6 -12 months $000s	1 – 5 years $000s	+ 5 years $000s	Total $000s
Cash and cash equivalents	2,938	-	-	-	2,938
Trade and Other Receivables	13,547	-	-	-	13,547
Liabilities	(8,527)	(928)	(775)	(421)	(10,651)
Interest Bearing Liabilities	(7,058)	(44)	(5,677)	-	(12,779)
	900	**(972)**	**(6,452)**	**(421)**	**(6,945)**

c) Credit Risk

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

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

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

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

Fair Value

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

NOTE 22: REMUNERATION OF AUDITORS

	CONSOLIDATED	
	2011 $000s	2010 $000s
Amounts received or due and receivable by Moore Stephens for:		
- An audit or review of the financial report of the entity and any other entity in the consolidated entity	**84**	71
- Other services: taxation	**68**	76
: Due diligence investigations	**-**	24
Payments to associates of Moore Stephens		
: Audit	**86**	118
	238	289

NOTE 23: COMMITMENTS AND CONTINGENCIES

	CONSOLIDATED	
Operating lease commitments	**2011 $000s**	2010 $000s
Non cancellable operating lease commitments not provided for in the accounts:		
Not later than six months	**1,305**	1,350
Later than six months and not later than 12 months	**1,293**	1,232
Later than one year and not later than 5 years	**5,807**	4,054
Later than five years	**360**	-
	8,765	6,636

Operating leases have an average lease term of 2.25 years (2010: 2.57 years), and the commitment represents payments due for leased premises under non- cancellable operating leases, and certain equipment leases used within the businesses.

Remuneration commitments

The maximum contingent liability of the head entity for termination benefits under service agreements with Executive Directors who take part in the management of the Company as at 30 June 2011 was $185,000 (2010 $185,000).

NOTE 24: DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

(i) Directors

- B. Johnston OAM (Non-Executive Chairman)
- A. Kloeden (Non-Executive Director)
- P. Martin (Non-Executive Director)
- A. Gay (Non-Executive Director – resigned 29 October 2010)
- A. Meerman (Managing Director – resigned 1 September 2011)
- S. Bird (Executive Director – resigned 24 May 2011)

(ii) Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the group, and to the extent different, among the five group Executives receiving the highest remuneration.

Year ended 30 June 2011

Earl Eddings (Chief Executive Officer, Greencap Consulting)
Karlheinz Spitz (Regional Director, ENV Asia)
Scott Bird (Managing Director, ENV Australia Pty Ltd)
Wayne Dettmann (General Manager, ECC Pty Ltd)
John Todd (Regional Director, AEC Environmental Pty Ltd)

(b) Compensation of Directors and Key Management Personnel

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

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

30 June 2011	Balance at 1 July 2010	Received in relation to business combinations	Acquired on market	Acquired on market by Trustee of Company Share Trust	Disposed on market	Balance at 30 June 2011
Directors in office at 30 June 2011						
B Johnston OAM	-	-	28,000	-	-	28,000
A Kloeden	-	-	72,250	-	-	72,250
P Martin	-	-	-	-	-	-
A Meerman (resigned 1 September 2011)	7,733,695	-	-	-	-	7,733,695
TOTAL Directors	7,733,695	-	100,250	-	-	7,833,945
Key Management Personnel at 30 June 2011						
E Eddings	-	-	694,454	-	-	694,454
S Spitz	-	-	-	-	-	-
S Bird	8,290,519	-	200,000	-	-	8,490,519
W Dettmann	3,042,583	-	-	-	-	3,042,583
J Todd	5,251,672	-	-	-	(2,500,000)	2,751,672
TOTAL Key Management	16,584,774	-	894,454	-	(2,500,000)	14,979,228

NOTE 24: DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

30 June 2010	Balance at 1 July 2009	Received in relation to business combinations	Acquired on market / received under DRP#	Issued to Trustee of Company Share Trust	Disposed on market	Balance at 30 June 2010
Directors in office at 30 June 2010						
B Johnston OAM (appointed 22 March 2010)	-	-	-	-	-	-
S Bird	8,190,519	-	100,000	-	-	8,290,519
A Gay	532,629	-	-	-	-	532,629
A Kloeden (appointed 22 March 2010)	-	-	-	-	-	-
P Martin (appointed 22 March 2010)	-	-	-	-	-	-
A Meerman (resigned 15 September 2009 - re-appointed 23 June 2010)	7,521,675	-	-	##212,020	-	7,733,695
TOTAL Directors	16,244,823	-	100,000	212,020	-	16,556,843
Key Management Personnel at 30 June 2010						
W Dettmann	2,711,026	-	331,557	-	-	3,042,583
W Haylock	8,045,178	701,180	867,332	-	-	9,613,690
H Howse	24,937,500	-	-	-	-	24,937,500
J Leeder	5,577,176	1,819,782	356,595	-	(177,000)	7,576,553
J Todd	4,410,258	-	841,414	-	-	5,251,672
TOTAL Key Management	45,681,138	2,520,962	2,396,898	-	(177,000)	50,421,998

DRP: Dividend Reinvestment Plan ##: shares issued in respect of bonus earned and accrued in year ended 30 June 2010

(d) Performance Rights granted as part of remuneration for the year ended 30 June 2011

On 27 October 2010 at the Company's Annual General Meeting shareholders approved the issue of the following Performance Rights to the Participating Directors:

	Number Granted	Value at Granting $000	Expense for year ended 30 June 2011 $000	Lapsed at 30 June 2011	Vested at 30 June 2011
Byram Johnston OAM	3,400,000	141	18	680,000	-
Peter Martin	2,000,000	83	11	400,000	-
Adrian Kloeden	2,000,000	83	11	400,000	-
Scott Bird	1,670,000	69	9	334,000	-
Andrew Meerman	4,050,000	168	22	810,000	-
Total Directors	13,120,000	544	71	2,624,000	-

The Performance Rights were issued to the Plan Trustee for consideration which is the equivalent of the value of the respective Performance Rights as at the date of issue of those Performance Rights. The Company made a contribution for the value of the Performance Rights to the Trustee of the Plan in order for the Trustee to purchase the Performance Rights from Greencap. The Plan Trustee provides an interest free, non-recourse loan to the Participating Directors for them to acquire the beneficial interest in the Performance Rights under the terms of the trust administered by the Plan Trustee for the Performance Rights.

NOTE 24: DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

The value of the Performance Rights calculated as at 7 September 2010 is $544,622. The value as applied to determine the recommended performance rights allocation levels is based on an amended Black and Scholes methodology with a 250 step binomial tree.

The valuations were made on the basis of the following assumptions:

- Share price of $0.09 (calculated on an approximate 150 trading day VWAP up to the date of valuation, being 7 September 2010);
- Exercise price of $0.00;
- Vesting period of 1, 2 and 3 years;
- Call life of 5 years;
- Volatility of 39.7768% (based on a 3 year VWAP);
- Risk-free rate of 5.25%;
- Lost dividend yield of 4%; and
- Probabilities that the performance hurdles would be achieved of 58.61% for 2011, 52.58% for 2012 and 48.23% for 2013.

The probabilities that the performance hurdles would be achieved were assessed by the Board based on advice from external consultants to the Company who specialize in remuneration plans for listed companies. The assessment of the probabilities of achieving the financial hurdles is based on the consultant's market experience in assessing the proposed Performance Rights and other equity based plans. This included a comparison of the vesting conditions of the Company's proposed Plan to other equity based plans. The Company's consultants considered that the performance hurdles to be set for the proposed Performance Rights to be issued to the Participating Directors were materially more onerous than other plans. Accordingly the Company's consultant's discounted the probability of achieving the performance hurdles down from a standard 80% probability level used for similar plans which had a 3 year vesting period (and total shareholder return of 9%) due to the higher level of difficulty in attaining achievement of the performance hurdles.

In relation to the assumed share price of $0.09, a 150 trading day VWAP has been used as this approximates the trading period for the Company's shares since the release of the December 2009 half year report, being the most current half year period up to the date of valuation.

No consideration will be payable upon the vesting of the Performance Rights on the achievement of the specified performance criteria. Accordingly, any Shares issued upon vesting of the Performance Rights will be issued for nil consideration and no funds will be raised from the issue or vesting of the Performance Rights. Should any of the Performance Rights not vest, then they will either be cancelled or allowed to lapse.

The rights are subject to two Performance Hurdles where if either Performance Hurdle is achieved by the relevant date then 50% of the rights will vest. If both Performance Hurdles are achieved by the relevant date then 100% of the rights will vest. If neither Performance Hurdle is achieved then the rights will lapse. The entire rights may vest earlier in certain prescribed circumstances such as death or change of control, as permitted under the rules of the Plan. The performance thresholds must be met in each year by the relevant date for the rights to vest.

The rights are not cumulative so that if the performance hurdle is not achieved by the relevant date they lapse. Future rights are not affected by the failure of prior year rights to reach the Performance Hurdles. Each tranche of rights is mutually exclusive from the other and are tested independently each year.

In relation The Performance Rights which are subject to the market based condition (Hurdle 2) the value is expensed over the vesting period irrespective of whether or not the market condition is granted, whilst in relation to the other rights they are only expensed as and when it becomes probable the vesting condition will be met. For the year ended 30 June 2011 only the value relating to the market based conditions were expensed.

The terms of issue of the Performance Rights are detailed in the table below:

TOTAL RIGHTS: 13,120,000						
Number Rights	Value	Relevant Date	Performance Hurdle 1 - NPAT		Performance Hurdle 2 - Share Price	
			$M	% Rights	$0.00	% Rights
2,624,000	$133,036.80	30-June-11	5.0	50%	0.130	50%
3,936,000	$79,184.40	30-June-12	5.5	50%	0.160	50%
6,560,000	$84,405.33	30-June-13	6.1	50%	0.200	50%

NOTE 25: RELATED PARTY DISCLOSURES

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

Transactions with Related Parties	CONSOLIDATED 2011 $000s	CONSOLIDATED 2010 $000s
Settlement of loan entitlement to vendors of acquired companies by cash payment		
S Bird When the Company acquired the subsidiary entity of ENV Australia Pty Ltd, this entity had loan liabilities payable to a former shareholder. During the financial year, certain of these loan entitlements have been remitted to the related party who was a former shareholder of ENV Australia Pty Ltd.	-	44
Corporate Services		
Johnston Bros. Pty Ltd A company of which Mr B Johnston OAM was a Director at the time of the transactions	-	30
First Corporate Pty Ltd A company of which Mr J Broun was a Director at the time of the transactions.	-	-
SG Special Situations Pty Ltd A company of which Mr S Belben was a Director at the time of the transactions.	-	78
Constellation Advisors Pty Ltd A company of which Mr P Martin was a Director at the time of the transactions.	120	-

NOTE 26: CONTROLLED ENTITIES

	Beneficial interest held by the consolidated entity		Book value of investment	
Name	2011 %	2010 %	2011 $000s	2010 $000s
Noel Arnold & Associates Pty Ltd (NAA) [2]	100	100	21,460	21,460
Trimevac Pty Ltd (100% subsidiary of NAA)	100	100	2,731	2,731
MC2 Pacific Pty Ltd (100% subsidiary of NAA)	100	100	455	455
ENV Australia Pty Ltd [2]	100	100	9,469	9,469
ECC Pty Ltd [2]	100	100	1,032	1,032
Validus Group Pty Ltd [2]	100	100	27	27
Environmental & Licensing Professionals Pty Ltd [2]	100	100	3,021	3,021
AEC Environmental Pty Ltd (formerly Greencap No 1. Pty Ltd) [2]	100	100	3,590	3,590
Leeder Consulting Pty Ltd [1] [2]	100	100	9,829	9,829
Trevor R Howse & Associates Pty Ltd [2]	100	100	-	9,713
ENV Asia Pte Ltd [4]	100	100	-	8
PT ENV Indonesia Pte Ltd [5]	100	100	103	123
Protex Healthcare (Aus) Pty Ltd [2]	100	100	-	-
Protex Healthcare (UK) Ltd [3]	25	25	-	-
Auridiam Resources Pty Ltd	100	100	-	-
Auridiam Botswana (Pty) Ltd	100	100	-	-

Greencap Limited is the ultimate parent entity.
All shares held comprise ordinary fully paid shares.

(1) Investment classified as asset held for resale.

(2) Investment held directly by Greencap Limited.

(3) Protex Healthcare (Aus) Pty Ltd owns 25% of Protex Healthcare (UK) Ltd

(4) Investment held by ENV Australia Pty Ltd

(5) Investment held 99% by ENV Asia Pte Ltd and 1% by Greencap Limited.

All companies were incorporated in Australia other than those noted below:

- ENV Asia Pte Ltd incorporated in Singapore
- PT ENV Indonesia Pte Ltd incorporated in Indonesia
- Protex Healthcare (UK) Ltd incorporated in the UK
- Auridiam Botswana (Pty) Ltd incorporated in Botswana and is dormant.

Overseas controlled entities carried on business in their country of incorporation.

NOTE 27: SUBSEQUENT EVENTS

No matter or circumstance has occurred or been identified since 30 June 2011 to the date of this report, that has significantly affected, or may significantly affect the consolidated entity's continuing business operations.

Directors' Declaration

In the opinion of the Directors of Greencap Limited (the Company):

1. The financial statements and notes of the Company and the remuneration disclosures that are contained in the Directors' Report are in accordance with the Corporations Act 2001, including:

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

   (b) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial period ended 30 June 2011.

4. Note 1 of the Notes to the Financial Statements confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

5. The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001.

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

B Johnston

Byram Johnston OAM
Chairman

Place: Melbourne VIC
Dated: 22 September 2011

MOORE STEPHENS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENCAP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Greencap Limited and Controlled Entities (the consolidated entity), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration of the consolidated entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In our opinion:

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

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

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

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

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Report on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 25 of the Directors' report for the year ended 30 June 2011. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an option on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion
In our opinion, the Remuneration Report of Greencap Limited for the year ended 30 June 2011 complies with Section 300A of the *Corporations Act 2001.*

Neil Pace

NEIL PACE
PARTNER

Moore Stephens

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 22nd day of September 2011.

ASX Additional Information

For the Year ended 30 June 2011

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

The following information is current as at 20 September 2011

(a) DISTRIBUTION OF EQUITY SECURITIES

	Ordinary shares	
	Number of holders	Number of shares
1 – 1,000	541	103,375
1,001 – 5,000	147	428,446
5,001 – 10,000	118	975,073
10,001 – 100,000	451	17,435,021
100,001 and over	219	243,573,470
Total	1,476	262,515,385
Non-marketable parcel holders	754	986,894

(b) TWENTY LARGEST SHAREHOLDERS

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

	Holders	Number of Ordinary Shares	Percentage of Total
1	NATIONAL NOMINEES LIMITED	36,918,113	14.06
2	ILINTIN PTY LTD	26,015,616	9.91
3	HOWSE CORPORATION PTY LTD	24,937,500	9.50
4	BLOSSOMVALE INVESTMENTS PTE LTD	10,625,000	4.05
5	TRINITY MANAGEMENT PTY LTD	8,812,811	3.36
6	SCOTT BIRD	8,050,519	3.07
7	PAUL GREGORY ADDISON	7,103,933	2.71
8	BOND STREET CUSTODIANS LIMITED <SLAMB1 - V02070 A/C>	6,138,748	2.34
9	MOAT INVESTMENTS PTY LTD <MOAT INVESTMENT A/C>	5,150,000	1.96
10	ENVICO PTY LTD <THE STAVROPOULOS FAMILY A/C>	4,813,488	1.83
11	VIBEKE PTY LTD <WJH SUPER FUND A/C>	4,144,936	1.58
12	WILLIAM JOHN HAYLOCK	4,076,744	1.55
13	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,948,608	1.50
14	LAVENDER PINES PTY LTD <THE JOHN LEEDER A/C>	3,839,782	1.46
15	GSPL PTY LTD <THE GODFEY SPOWERS (WA) A/C>	2,987,890	1.14
16	JOHN TODD & ASSOCIATES PTY LTD <DINWOODIE SUPER FUND A/C>	2,751,672	1.05
17	WAYNE DETTMANN + JEANETTE DETTMANN <DETTMANN SUPER FUND A/C>	2,686,883	1.02
18	LEEDER & ASSOCIATES PTY LTD <THE LEEDER FAMILY A/C>	2,500,000	0.95
19	MR C B HUNTER + MS N A HUNTER <CB&NA HUNTER FAMILY NO1 A/C>	2,450,054	0.93
20	MR PETER MURRAY JACKSON	2,300,000	0.88
		170,252,297	**64.85**

(c) SUBSTANTIAL SHAREHOLDERS

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

Name	Number of shares
National Nominees Limited	36,918,113
Ilintin Pty Ltd	26,015,616
Howse Corporation Pty Ltd	24,937,500
	87,871,229

(d) VOTING RIGHTS

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

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